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# Unpacking Inequities in Unemployment Insurance

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## About Public Interest Technology

New America's Public Interest Technology team connects technologists to public interest organizations. We aim to improve services to vulnerable communities and strengthen local organizations that serve them.

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## Introduction

Since the start of the pandemic in mid-March, more than 50 million people have lost work and unemployment rates have reached levels not seen since the Great Depression. Still, the economic devastation has not been colorblind, and neither are the financial support systems meant to buoy workers. COVID-19 has wreaked havoc in Black and Latinx communities at an inordinate level—**both from health and economic**. COVID-related death rates have soared higher among **Black and** compared with white people, Black and Latinx-owned businesses **are struggling to stay afloat**; and the pandemic has exposed the disparities in our school systems as **Black and** transition to remote learning in the spring. All of these factors tell the story of a deeply inequitable pandemic and subsequent recovery that could be even more devastating than the last economic recession.

At the onset of the pandemic, unemployment peaked at 16.8 percent for Black workers and 18.9 percent for Latinx workers, and has dipped to 13 percent and 10.5 percent, respectively, as of August, according to a report from the **Bureau of Labor Statistics**. Among white workers, unemployment peaked at 14.2 percent settling at 7.3 percent as of August. Across the board, the numbers are unsettling. People everywhere are suffering, and are finding it difficult to access benefits they are owed, such as unemployment insurance. Unemployment Insurance (UI) websites have crashed under the weight of unprecedented traffic and call centers have hours-long wait times. One aspect that has become clear—applying for and receiving UI is a painful and complicated process for everyone. Still, Black and Latinx workers faced a greater challenge receiving unemployment benefits compared with their white counterparts: white workers make up 50 percent of unemployed workers but 78 percent of UI recipients, while Black and Latinx workers made up 40 percent of unemployed workers but **less than 20 percent of UI recipients**. That troubling reality has remained consistent as unemployment levels have spiked to new highs for these communities. And while people of color are less likely to apply for unemployment insurance, they are also more likely **to be turned down when they do apply**.

**If Black and Latinx workers were losing their jobs at higher rates than white workers, why were they receiving UI benefits at lower rates than white workers?** This is what we sought to investigate.

In June and July 2020, our team interviewed 25 Black and Latinx workers who were laid off, furloughed, or were self-employed and lost income due to COVID-19. All 25 interviewees had also attempted to, were in the process of, or had already applied for unemployment benefits. We wanted to understand their experiences going through the application process and how they were making ends meet when benefits didn't arrive. We also spoke with 15 experts who cover race, employment, and the economy.

Many of the experts we spoke with pointed to a long history of exclusionary policies that have kept jobs held primarily by Black and Latinx workers from receiving unemployment insurance, such as gig and self-employed workers. Others pointed to increasingly difficult-to-navigate applications and tightening eligibility requirements that kept many low-wage workers or part-time workers out or, in the cases where they did get through, resulted in severely diminished benefits. Many workers of color that are eligible for benefits choose not to apply, either because they believe they are not eligible or that they won't successfully get through. But speaking directly with people who had lost their jobs about their experiences navigating the unemployment insurance system highlighted something else and that is—UI is not a system unto itself. In fact, it is a component of a “system of systems”—all of which exhibited patterns that disfavor workers of color. So that even when one piece of the web has been untangled, workers find themselves presented with yet another obstacle they must overcome.

UI was created as part of the New Deal in 1935. From its inception, it excluded **65 percent of the African American workforce at that time from receiving benefits** (compared to 27 percent of white workers) and the administrative details of implementing UI were left to the states, a concession to the Southern Democrats, providing few controls for ensuring equity in UI benefits and duration between states.

Though the system has changed overtime with some modifications and reforms, *its foundation is inherently racist and classist*—creating access barriers for workers of color and low-wage workers. Another way to view the creation of the unemployment insurance system is through the lens of DNA, examining its “genetic makeup.” So if the UI program was birthed out of a system that excluded occupations largely held by the Black population, that system is racist—and racism is part of the system's DNA.

Something in our DNA does not just go away. The evolution happens slowly; and there are internal and external factors that influence your genes and DNA. What we found in our research is that the genetic makeup of UI includes all sorts of internal and external factors that are at-once impacting its design and implementation. Therefore, fixing what's broken about UI means looking outside and within UI to first identify these various influencing or interrelated factors, and then begin to take them apart.

In this report, we attempt to unpack the many programs, policies, and systems that make up or interact with UI, making it prone to a complex web of interactions characterized by racism. Before we begin, we should make clear two assumptions that the authors of this paper believe to be true:

1. Systemic racism is real. Our institutions have evolved from colonization, slavery, and the discriminatory policies of Jim Crow that were in effect

when the New Deal was passed and unemployment insurance was created.

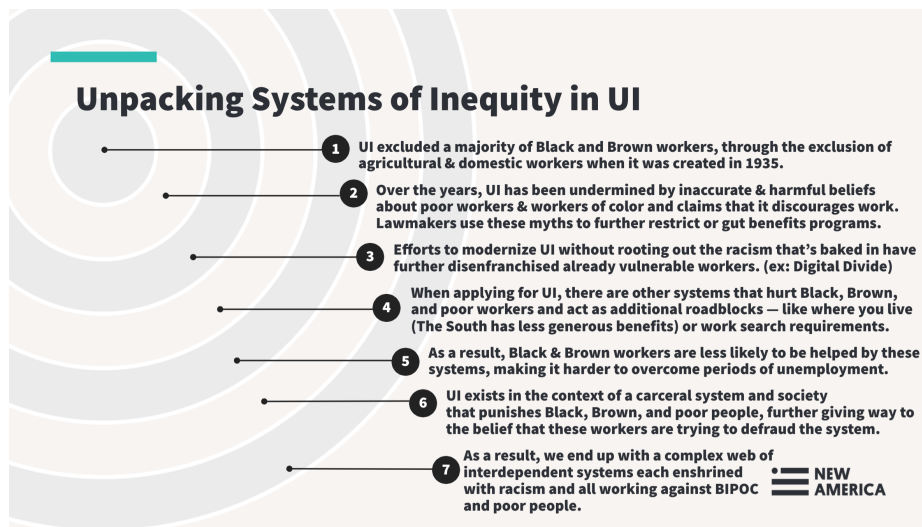
2. The unemployment insurance system exists within the context of a larger society that punishes the poor and criminalizes people of color.

With those assumptions in mind, below we are sharing an overview of how we're thinking about the genetic makeup and evolution of unemployment insurance, and what that has meant for Black and Brown workers.

### **The Result of the Way UI is Designed *is* Racism.**

All systems are a reflection of the time in which they were designed, showing us what, or who, society valued when that system was being created. The Indian Removal Act of 1830 forcibly and brutally displaced Native American communities to make room for white settlers, while in 1936 the Home Owners Loan Corporation's residential security maps made government-backed mortgages—and therefore homeownership—inaccessible to Black communities. Both are examples of policies that favored white people over others and whose effects continue to harm indigenous and Black people today. The unemployment insurance system, like other New Deal programs, could only garner the support they needed to pass by excluding entire parts of the population and workforce from accessing those same programs. In the time since, policymakers have cashed in on myths about poor and BIPOC workers to justify a gradual decimation of critical benefits and programs.

This research has left us asking: who are these benefits meant to serve? If UI was designed in response to the great depression, what will we design in response to this current crisis? What values will we center? Below, we work through the framework that has given us the unemployment insurance system we have today. It's just the beginning, but if we don't ask these questions or root out these inequities, we will continue to perpetuate racism in the name of "progress."



Source: Chuck Burke, New Practice Lab

Each section of the report dives further into the many internal and external factors that influence UI and make it difficult for people of color to access.

A few final notes before we begin: Throughout the report we use the terms “workers of color” or “Black and Brown communities” interchangeably, but for the purposes of this report we spoke only with Black and Latinx workers, whose names have been changed to protect their identities.

We’d be remiss not to mention that we understand there’s a difference between race and ethnicity and that ultimately, Black people, regardless of ethnicity are most negatively impacted by inequity. We understand that Afro-latinx communities face compounding inequities, as do members of the Black LGBTQ and Black disability community (and that people exist in all of these intersections). There are limitations and clear shortcomings in how data is collected today that do not allow us to accurately or respectfully distinguish between race and ethnicity. The people with whom we spoke had varying experiences and exist across the income spectrum. Some work in finance, others in service jobs, and many were essential workers. And while they all expressed frustration with the UI system, none expressed feelings of helplessness. Instead, our interviewees are the protagonists in their stories, resilient and finding ways to work through and around a system intent to keep them out.

We also cannot ignore that the Native American community is suffering disproportionately as a **result of COVID-19** due to insufficient infrastructure, high rates of poverty, and negative health outcomes—the result of broken promises and negligence on behalf of the federal government. American Indian and Alaska Native (AI/AN) populations are often undercounted, miscounted, or excluded entirely from data collection that is necessary for federal funding,



directing resources, and even reports such as this one. Still, we recognize that we must do more to support and better serve Native American communities and ensure that their voices are heard.

Our hope for this report is that it might open people's eyes to the deeply rooted, interconnected systems that hurt Black and Brown workers and their families. We also hope that policymakers might use it to broaden the type of experts they invite to the table when creating policy—from user researchers, designers, and data scientists to, most importantly, the people themselves that these policies are intended for. Our bet is that, if UI is part of a “system of systems,” so are other critical government programs. Decision makers and subject matters experts would do well to cross-pollinate with experts in other areas—even, and especially when, they seem entirely unrelated—because odds are, they are not. It was designed that way.

## “Not Designed for Us”: Navigating a System that Never Intended to Serve You

Designed with the 1930s white male breadwinner in mind, the UI system intentionally excluded jobs—domestic and agriculture—predominantly held by workers of color. While the onslaught of the pandemic has unveiled many of the faces within our current workforce—especially those who serve in low-wage essential, gig, temporary and seasonal jobs, typically not covered under UI—the crisis has painfully exposed the deeply rooted inequity and racial disparities within our workforce and how workers of color have few options to protect their basic health and economic well-being.

Making up less than 29 percent of our nation’s total workforce, Black and Latinx people disproportionately work in **essential and precarious jobs** offering less than a living wage. Workers of color also occupy the vast share of our low-wage jobs. The Brookings Institution found that Black and Latinx workers made up a **greater share** of low wage workers compared with white workers: 54 percent, 63 percent, and 36 percent, respectively. Workers of color are the engine that keep our nation running, and like domestic and agricultural workers in the 1930s, are still excluded from receiving critical benefits meant to be a source of support for “all” nationwide. The end result has been detrimental twofold: Black and Latinx workers were among the first to be laid off when the pandemic hit, bringing unemployment to new highs; and those who have continued commuting to and working essential jobs have been more exposed to the virus, putting their lives on the line to keep our economy operating.

*“Nuestros trabajos son los que más están arriesgados, porque estamos en los trabajos que tienen conexión directa con otras personas. Our jobs are the ones that are most risky, because we are in jobs that have direct connection with other people,”* said Felix, a taxi driver for more than 20 years from Queens, New York, in his June interview with our research team. *“Los blancos se van en sus coches o trabajan en sus casas o oficinas, nosotros nos quedamos. Los trenes están llenos de gente. Estamos más expuestos. White people go in their cars or work in their homes or offices, we stay. The trains are full of people. We are more exposed.”*

Many of his friends and neighbors travel into the city via the 7 Train to their essential jobs. *“Le decimos el tren 7 que va entre Manhattan y Queens EL TREN DE LA MUERTE, porque lleva a todos los que necesitan ir a trabajar a Manhattan y vuelven enfermos. We call the 7 Train that goes between Manhattan and Queens the Train of Death, because it takes everyone that needs to go to work to Manhattan, and they come back sick,”* he added.

Felix acknowledged he traditionally would have been excluded from UI coverage, and was grateful for the benefits created through The Coronavirus Aid, Relief, and Economic Security (CARES) Act, including:

Pandemic Emergency Unemployment Compensation (PEUC), which extended the amount of time an individual could collect benefits by 13 weeks;

- Pandemic Unemployment Compensation (PUC), which Provided an additional \$600 of benefits (and expired on July 31); and
- Pandemic Unemployment Assistance (PUA), which expanded benefits to cover workers not typically eligible for UI, such as self-employed and gig workers

However, in our interviews with community-based organizations and advocates, the focus moving forward (beyond the extension of PUC) was on creating measures that would help workers of colors—the self-employed workers, gig workers, temp workers and undocumented workers—beyond the temporary assistance created in response to COVID. Many of the advocates spoke of political leaders needing to create measures that empower our entire workforce, especially those within communities of color who're in jobs with little to no bargaining power. Many we interviewed echoed these sentiments saying that they wouldn't have to worry how they would weather the fallout of this crisis when the remaining benefits expire. “These benefits should be available at all times,” said Helen, a hairstylist from Louisville, Kentucky.

“You pay your taxes, and you do your thing [contributing to this economy],” she said about her experience applying for unemployment for the first time in her 35-year career in the beauty industry. While she and others working in her industry have weathered past recessions, this “came as a shock and I don't feel like people are giving me anything, not this government.”

## The Gig Economy and Workers of Color

Estimates of how many workers participate in the “gig economy” vary—ranging from 25 percent and 30 percent to much as 40 percent of our total workforce, according to the [Gig Economy Data Hub](#).

Determining who is represented in the gig economy, the amount of hours worked and the flexibility in that work is critical especially as gig workers have often been **“wrongly classified” as independent contractors**. This misclassification excludes them from nearly all protections and benefits for employees like unemployment insurance and workers' compensation, **according to NELP**, and has robbed “unemployment insurance and workers' compensation funds of **billions of much-needed dollars**, and [reduced] federal, state and local tax withholding and revenues, while saving as much as 30 percent of payroll and related taxes otherwise paid for ‘employees.’”

Black and Latinx workers face even greater harm due to a lack of protections, as they alone are “overrepresented in ‘gig’ work on apps like Uber, Handy, Postmates and AmazonFlex.” While Black and Latinx workers combined a small share of the workforce, they represent almost 42 percent of those working for these apps, **based on figures from NELP. As the economy and our workforce shifts, and “non-traditional” work becomes the norm, we must ensure that benefits such as UI and other workforce protections are extended or reformed to meet the needs of gig workers.**

For some of our interviewees, a change in their classification to being seen as an employee would have lessened the headache of filing for unemployment benefits, easing the overall financial burden. Carina, an elementary school teacher’s assistant and Uber driver, had help through the school district with her UI application. She was eventually approved for benefits in late June, but her payments have been held up, possibly due to her work for Uber. “It’s weird,” Carina, a single mother of one son, said in her interview. “Everybody in my family [except myself and my uncle] have gotten UI benefits; here I am and it’s not done. And we have not gotten the \$600 and we’re the only ones who’ve done the 1099 work.”

If she hadn’t done that work, she says she would have likely had no trouble in receiving her UI benefits. But taking on certain Uber requests for rides or food delivery has helped to fill in a financial gap in earnings as she continues to wait for her first UI payment. Putting on a brave face, she often questioned her current financial footing during our interview. “I don’t know if I will be able to make ends meet, but if I’m lucky, they may look at each other,” she quipped.

### **The Exclusion of Undocumented Workers from UI Benefits**

Advocates have been pushing for UI and other benefits to be extended to undocumented workers, as more data confirms that these workers are paying handsomely into state UI and other programs with their taxes. Each state system is backed by an Unemployment Insurance Trust Fund, which is financed through a tax paid by employers to the state and supplemented by a smaller tax they pay to the federal government. The **Fiscal Policy Institute** estimates that \$13 billion was paid in UI taxes based on work of undocumented immigrants since the Great Recession across the nation. In New York alone, \$1.4 billion was paid in UI taxes.

The exclusion of undocumented workers causes fear and confusion for immigrants, who are legally eligible to work, about whether they are eligible for benefits. They often choose not to apply because of concern it might impact their immigration status or trigger rules around public charge. Despite being eligible, Gloria hesitated for UI because she thought it might result in having her green card taken away or negatively impact her ability to get her citizenship.

*“Pues un poco de miedo por que no sé si pueda haber un problema con mi green card. Well, [I'm] a little scared because I don't know if there could be a problem with my green card [application],”* said Gloria, who is originally from Mexico and lives in Brooklyn, N.Y. *“No se si afecta o no. I'm not sure it will affect or not.”*

## Call for Essential Workers Bill of Rights

Less than one in five Black workers (19.7 percent), and about one in six Latinx workers (16.2 percent), are able to work remotely, based on [a report from the Economic Policy Institute](#). The EPI report showed the workers most affected were in leisure and hospitality, agriculture, transportation and retail—industries highly at risk of job loss due to social distancing measures or COVID exposure for frontline workers. Advocates we interviewed pointed out that state and local governments, as well as the federal government, have failed to protect essential workers and provide them with benefits such as paid leave. Some advocates and policy makers have even called for legislative measures that would ensure workplace safety and empower workers, such creating an Essential Workers Bill of Rights and a paycheck guarantee program.

“There needs to be a national pandemic policy put in place, whether it's through executive order or federal policy through Congress, that creates an essential workers bill of rights,” said Dwight Bullard, political director of the New Florida Majority. “It should apply to everyone who fell in that category this time. We still need food service and grocery stores open, but those folks need all of the resources and protections they can get as well.”

## Where We Go From Here

Our unemployment system isn't designed to meet the needs of workers in jobs where Black and Latinx people are overrepresented: it excludes gig workers and undocumented workers, fails to protect essential workers, or makes it difficult for low-wage workers to access benefits.

In the early months of this pandemic, state and federal policymakers took steps to implement short-term measures that would support our workforce and the overall economy. Some of those benefits have since expired, or are at risk of expiring in the coming months. Redesigning UI to meet the needs of 21st Century workers should include expanding unemployment benefits to cover more workers, ensuring workers have access to paid leave and other benefits, standardizing the duration of benefits across the country to at least 26 weeks, ensuring a living wage, making sure that benefits cover a greater portion of workers' wages, and protection from retaliation and the right to safe working conditions. The [Bipartisan Policy Center released a recent survey](#) that found 55 percent of Latinx and 44 percent of Black parents on unemployment insurance

did not plan to return to work, or did not accept an offer to return to work, due to caregiving needs, indicating a need for dependent credits and programs that support working parents.

Policymakers should use this moment to center the needs of workers of color, to ensure that they are able to fully participate in the workforce, access benefits they've earned, and to protect their future economic well-being.

## A Focus on Fraud Over Accessibility: The Punitive Design of UI

What is a state's primary mandate when it comes to Unemployment Insurance (UI): To administer the prompt delivery of unemployment benefits to eligible applicants or is it to focus on identifying potential fraud and minimizing payouts?

How UI administrators perceive their mandate—either allowing workers' access to the benefits they've earned or keeping people out—drives the design of the overall program. As it stands now (more than ten years since the Great Recession, when many state programs were depleted), UI is over-calibrated to try to catch people committing fraud. This fraud-centric design comes at the expense of the most marginalized members of the workforce—workers of color, low-income workers, and women. That harm comes during their most vulnerable time—an unexpected job loss and being left to navigate a system that's programmed to make them feel like they're doing something wrong, even when they aren't.

Following the last recession, states passed restrictive measures to replenish their trust funds and modernize computer systems. State UI programs were depleted to the point where they had to borrow from the federal government to pay benefits. Legislators had the option to boost taxes on businesses to maintain the program or slash benefits for workers amid persistent high unemployment. Under the pressure of business interests, many states chose the latter to shore up trust funds, resulting in significant reductions in benefit amounts and duration and the tightening of eligibility requirements — some even implemented required skills tests before an application could be started. Some states narrowed the scope on what a qualifying event was for separation, increased the earnings amount a worker would need to qualify, or reduced the mechanisms available for applying, such as only being able to submit an application online. These all serve as impediments to applying, in place to add to the barriers one must overcome before accessing UI. Due to the pandemic, many of these requirements have been waived; still they need to be reviewed as part of long term improvements to UI.

Across the board, workers have suffered under these new measures, as the nationwide average of those receiving benefits has fallen from 36 percent before the Great Recession to 27 percent. An analysis by [Nyana Browne and Williams Spriffs](#) of Howard University found that , “just **13 percent of Black people** out of work from April to June received unemployment benefits, compared with 24 percent of white workers, 22 percent of Hispanic workers and 18 percent of workers of other races.”

As reciprocity rates have decreased, the amount of benefits that were improperly denied (or should've been approved) have increased. The improper denial rate for separation reasons reached just over 17 percent in 2017, compared with **8**

**percent in 2007**, and the improper denial rate for non-separation reasons was at 17.5 percent, compared with 9.9 percent.

“Part of this increase in erroneous denial has to do with the fact that systems have been over-calibrated to prevent overpayments at the expense of paying appropriate benefits,” said Michele Evermore, senior researcher and political analyst at NELP, in testimony before the **U.S. Senate Finance Committee**.

“Overconcentration on suspicion of fraud, especially when not coupled with a corresponding focus on employer fraud, worker misclassification, and UI system errors and failures, can wreak havoc on UI programs.”

Take Michigan, for example: The state’s Unemployment Insurance Agency (UIA) owed the federal government nearly \$4 billion by late 2010. At the same time, the state’s auditor general flagged that UIA possibly failed to properly resolve millions of dollars in overpayments and fraud penalties during the last recession. State legislators decided they needed to improve efficiency and upgrade the UIA system; so the state contracted private tech vendors to develop the Michigan Integrated Data Automated System, or MiDAS, to determine unemployment eligibility and track case files. In the end, MiDAS flagged nearly 40,000 workers for fraud, in which a **staggering 93 percent of those were inaccurate**, according to NELP. What’s worse, the penalty for fraud in Michigan is four times the amount paid, plus 12 percent interest; and many of those affected by these measures lost everything. Detroit Attorney Jonathan Marko, who represented Michigan residents in bringing a **claim against the state**, said: “Some of these people committed suicide. Some lost their homes. Some had to declare bankruptcy.”

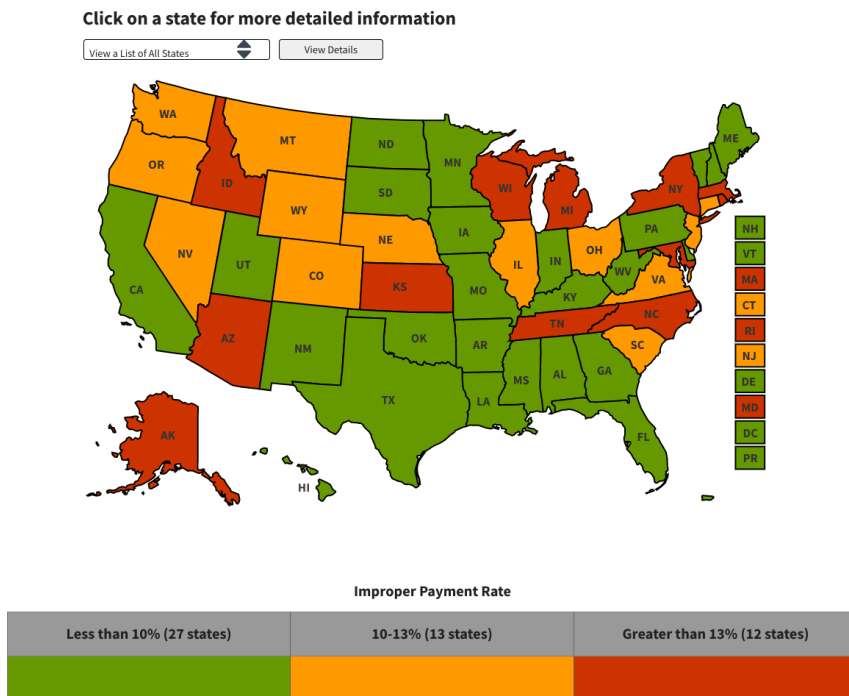
UIA Director Steve Gray said in an interview with the New York Times that UIA was “built to **assume that you’re guilty** and make you prove that you’re innocent.” Governor Gretchen Whitmer has moved to shift the state’s focus from catching fraud to speeding up payment processing. During the pandemic, this shift has been necessary and a relief.

Gov. Ron DeSantis (R-Fla.) admitted in a recent **interview with WFOR in Miami** that the state’s unemployment insurance system is structured **to not** pay out claims. The state’s Republican leadership has also acknowledged in interviews with **Politico** and other news outlets that they’ve **left the system underfunded** for over a decade on purpose, opting for cuts in benefits for the unemployed rather than raising tax obligations for businesses. Again, this meant that—rather than receiving 26 weeks of insurance payments—Floridians receive only 12 weeks, while having plenty of hoops to jump through to even get that.



## How the Federal Government Incentivizes this Behavior

The Department of Labor (DOL) raised the stakes for states to maintain accuracy in UI payments in April 2019, when it announced a series of incentives for states to reduce what the department deemed to be “**a high level of improper payments**” in unemployment benefits. The department created two new awards to recognize states in their efforts to crack down on “improper payments,” including the “Program Integrity Excellence Award” which acknowledges states demonstrating excellence in minimizing their UI improper payment rates.



Source: U.S. Department of Labor

DOL also developed an **accuracy map** to monitor and define how state unemployment insurance programs were performing in maintaining a low rate of fraudulent payments. Note that the accuracy map only tracks overpayments and fraudulent payments issued to applicants, demonstrating the punitive approach that shapes how UI is distributed to applicants across the nation. By focusing on overpayments, the department is not held accountable for determining other errors created by the state, or even an employer, when it comes to UI payments—**such as underpayments—which are also payment inaccuracies**. The map also doesn’t reflect cases in which eligible UI applicants are erroneously denied benefits. Rather than considering the many ways in which state unemployment insurance systems fail and make errors, or considering the ways in which workers

might make mistakes while maneuvering through a confusing application process, the accuracy map highlights how the federal government is complicit in this punitive approach that assumes overpayments are the core issue.

## **Fraud Detection Should Not Come at the Expense of Workers**

**The punitive design has left an emotional scar on workers.** There's a high emotional, and financial, burden that comes with being wrongly accused of fraud. Some workers have had such bad experiences with unemployment insurance that they've decided never to rely on it, even if it means that they don't know where they will go to find necessary support.

Take Inez and her husband Mique, Chicago residents, for example. The couple didn't pursue applying for unemployment insurance due to a past traumatic experience three years ago when they were denied benefits. At that time, they were expecting their second child, and Inez told our research team that her husband wanted to support her not only financially, but also emotionally, since she was near term.

After completing his workday, Mique's employer asked if he wanted to take an extra shift. Inez's husband declined, so that he could return home and be there for her. The next day, his employer told him that he didn't need to return for his shift, with no additional explanation. According to Inez, Mique was never told that he had been fired, which would've made him ineligible for UI.

But not knowing when his next shift would be and only that he'd been asked not to return, Inez's husband applied for unemployment insurance coverage through the Illinois Department of Employment Security (IDES). He was approved. However, after several weeks of receiving his weekly payments totaling \$700, he received notification that his employer contested his application, claiming that he'd been fired and denied suitable work. The couple saw it as unfair, saying that he hadn't been informed about his employment status by his employer; and if he knew that, he wouldn't have applied for UI.

IDES accused Mique of fraud and sent him a letter claiming that he would be automatically investigated if he applied ever again, "whether his claim was legitimate or not," Inez said. The entire experience was so stressful that, when Mique contracted Covid-19 and lost work, he still chose not to apply.

While we certainly empathize with state employees responsible for reviewing applications, especially as their workload has increased drastically due to Covid-19, states' focus on fraud often comes at the expense of already vulnerable workers and creates incentives that are misaligned with the ultimate goal of getting benefits to eligible workers.

Speaking on the condition of anonymity, two contractors told us about poorly designed processes and fraud detection in the state they are working with that led to applicants being denied due to human bias and not as the result of legitimate fraud.

One contractor told us that nobody has “a definition of ‘fraud,’ or any clear cut process or guidelines to follow” and that workers believe they will be personally punished if any claim they work on is later found to be fraudulent. So they are highly incentivized to flag applications for fraud, both to make sure they’re covered and to quickly move work items out of their queue.

The contractor also said they were confident that, “whatever identity theft or fraud does exist, it’s in the applications that go through automatically. Filing a ‘clean’ claim is not really that hard. I cannot believe that any fraudster is spending hours waiting on hold every day, week after week, struggling to clear their ‘work items’ in pursuit of a \$200 payout.”

The contractors we spoke with also shared a few examples of what might cause an application to be flagged for fraud, including that “too many people living at one address will cause workers to reject a whole batch for fraud.” They added that there wasn’t any definition of “too many,” and that it’s just “what feels wrong to them.”

At a time when millions of people have lost their jobs, are struggling to make ends meet, and may decide to move in with extended family members or close friends (and some of our interviewees did), it makes complete sense that you might have more than one or two eligible applicants or workers living at the same address.

The contractor also noted that getting flagged for “identity verification is where many of the worst problems happen, because if you even get to this office, you’re assumed to be a fraudster until you can prove you’re not.” Examples of what might lead an application to the identity verification queue included:

- “A first or last name that is “too long” can get truncated in any of the dozen government computers. At that point, it will fail automatic name matching and you go into the manual process where few claims ever come out alive.”
- “Alternate ‘Anglicized’ first names are common in some ethnic groups—a real observed example is birth certificate says Graciela, drivers license says Grace. This will fail the automatic match, and the human reviewer will usually reject it too.”
- Similarly, there were many examples of Vietnamese names not “matching” official records because of spaces between names, nicknames,

and/or inconsistency of which portions of the name were shoehorned into first-middle-last name fields.

One contractor ended by telling us that for many of the state's fraud signs, "it makes even less sense for a fraudster to do it, but [they] never even consider that question."

The other told us, unsurprisingly, some employees flag "international sounding names," adding:

*"There's no automated fraud detection here; claimants are reviewed manually by humans on the hunt for any sign of fraud. When you hire people and tell them their job is to find fraud, they're going to find fraud where none exists. **We've just trained racism into the system.**"*

Government system's do a poor job of handling names that don't follow the traditional American convention of "First, Middle, Last" or that include characters outside of the English alphabet, leading names to be misprinted on social security cards or the same name appearing differently on a credit card and a school ID. What's worse, they build algorithms on top of faulty processes and biases that perpetuate inequities and lead to negative and deeply unjust—if not dangerous—outcomes for people of color.

The many wrong assumptions we make about names have been covered extensively by **engineers** and **sociologists** alike. Still, states implement fraud detection systems meant to catch "criminal cartels and fraud rings" which, by the way, are most likely using names like *Brian Smith*.

Short of any legitimate attempts to identify fraud, which probably begins with closely monitoring fraud and looking for patterns in fraudulent applications, the government should make it their explicit goal to optimize for letting people in, not keeping them out. Otherwise, as one contractor put it, they're "just spending more money on trying to catch fraud than they would in paying out claims," and doing a lot of harm along the way.

In many ways, our current UI system is not unlike the criminal justice system, where research shows communities of color are consistently profiled and criminalized based on racial biases. This shouldn't come as a surprise, since the unemployment system exists against the backdrop of a country reeling from centuries of racial inequity, and the system was designed to exclude a large segment of Black and Latinx workers from the start. The stereotypes about the most marginalized workers seeking financial support during crises are rooted in painful and inaccurate beliefs: **that they are trying to game the system**. The persistent belief that workers seeking unemployment benefits, especially those who are low-wage workers and workers of color, are lazy, refuse to work, or are

trying exploit the system allows policymakers and program administrators to make decisions such as cutting benefits, making it more difficult to apply, and investing in fraud detection systems that keep more people out than they let in. And while these decisions harm all workers, they punish workers of color by discouraging them from applying at all, or inaccurately flagging them for fraud or abuse.

Whether automated or manual, racism and bias must be rooted out of all processes—especially when they are being used to determine someone’s ability to receive critical benefits. Low-income workers and workers of color have to navigate a system that, not only was not designed for them, but is also designed to penalize them. Instead of focusing on creating fraud where it doesn’t exist, a state’s mission should be to make systems easy-to-use for eligible applicants, and to identify fraud within a greater context of accessibility. This includes improving the user experience, using plain language, reducing access barriers for workers with disabilities, language, or literacy limitations, and prioritizing the needs of applicants—especially during this critical time.

## “People Don’t Want to Work” and Other Myths about UI

*Old conservative tropes still haunt vulnerable, marginalized communities, even amid a global health pandemic and resulting economic turmoil.*

In calls to “reopen the economy,” Republican leadership, political analysts and pundits have voiced that enhanced federal unemployment benefits like PUC combined with state benefits, created many disincentives for people to search for work. They have argued extending PUC would only hamper businesses’ ability to hire, further stifling the economic recovery. Yet when we talk to those affected in Black and Latinx communities, they’re ready to go back to work and are more concerned about their livelihood—especially as unemployment among Black and Latinx continues to hover at high levels.

“I want to work,” Destiny, a single mother of three who works in hospitality in Chicago, shared during her July interview. “I have things I want to do with my career and for my kids.”

Destiny echoes the voices of many interviewed over the last 8 weeks who are back to work, or searching for a job in the current market despite the disproportionate impact the pandemic has had on them. The eagerness to work dispels the many dangerous and false narratives that have loomed over communities of color in prior recessions. These myths, centered on images of the “welfare queen” and “bad actors that don’t want to work,” have been so pervasive and widely accepted that political leaders have shaped or dismantled legislation based on them. This has inflicted great harm on communities of color who’re already struggling to find solid footing. Now is the time to right the course and dismantle those myths and the decades of systemic racism in our labor policies.

“The federal government should be focused on ensuring that workers can survive this crisis and that the economy gets the maximum boost possible,” Michele Evermore, senior researcher and political analyst at NELP, testified before the [House Committee on Oversight and Government Reform](#).

“Congress must ensure that workers are able to maintain an adequate income while they have no jobs because of public health necessitated shutdowns, and the unavoidably slow return to a normal economy,” she said in her testimony in June.

As of July 25, PUC has lapsed. Negotiations between Senate and House leaders have been at a standstill. Senate Republicans had proposed to slice the supplement by two-thirds to \$200 per week for the next two months, and then move from a flat amount to a capped benefit equal to the difference between state benefits and 70 percent wage replacement, a plan that states have said they

would be unable to implement. PUC and other benefits related to the current crisis have been a lifeline for the millions unemployed. The reduction would have nothing but a dire impact on the more than 25 million unemployed and receiving the emergency income boost, according to [new analysis by the Century Foundation](#).

**The “go-to” myth:** Republicans have proclaimed that the extra \$600 a week has discouraged people wanting to work, and they have clung onto [news reports highlighting interviews](#) with a few business owners saying the weekly bonus was a potential job slayer. However, these claims are trumped by one of many basic state mandates for a person to qualify for UI—*you can't refuse to work or quit a job in order to collect unemployment*. In her testimony, Evermore pointed out that under state unemployment insurance law, a person would be found ineligible for benefits if they refused “suitable work.” What’s more, the Labor Department’s Employment and Training Administration has issued guidelines designed to make it clear that refusing work to receive benefits can be considered fraud. **Workers, in fact, are told they will face financial penalties if they claim benefits that they’re not qualified to receive.**

A recent study from Yale University economists also has shown that workers, mostly making low wages and receiving low benefits “did not experience larger declines in employment when the benefits expansion went into effect,” the [report](#) said. Those unemployed people returned to their previous jobs at similar rates as others, according to the report. In fact, there was “no evidence that more generous benefits disincentivized work either at the onset of the expansion or as firms looked to return to business over time.”

The only truth that’s clear: The extra \$600 was “a lifeline and does not create a disincentive to work,” Evermore said.

### **Myth: The Unemployed are Seeking to Defraud the Unemployment Insurance Benefits System**

Since May 2020, federal investigators and many state legislators have sounded the alarm about a possible rise in fraudulent unemployment insurance claims as an unprecedented volume of applications are processed. Some states including Maine, Michigan, Pennsylvania and Washington have reviewed existing and past UI accounts to catch potential fraud rings and identity theft. However, in the process, many innocent claimants have been caught in the middle leading to their benefits being held up, according to legal services agency advocates. Many of those claimants are within Black and Latinx communities.

Community-based agencies have played a significant role in helping the unemployed in their regions to navigate the application process. They assist clients with grievances and appeals when they’ve been denied unemployment

insurance benefits due to fraud accusations or if applications are pending for other unstated reasons. “People have applied more than once just because they are desperate to get in, and that has created fraudulent flags (in the system),” said Jocelyn Armand from the Legal Services of Greater Miami. “If [the state UI office] had communicated that the application was in, that wouldn’t have been a problem.”

In many states, UI systems are operating in the exact way they were designed to operate, with a focus on “identifying fraud”. But the people we interviewed weren’t trying to defraud the system, they’re relying on UI because they need it; and some even expressed a desire to give back if they had the resources to do so. “You have to remember it’s not just you,” said Donald in his interview. “It’s a lesson for myself... you have to be willing to brighten someone else’s day, and realize that we’re all in this together.”

### **Myth: All Unemployed Workers are Eligible to Receive and Can Access their Benefits**

As we’ve pointed out earlier in the report, many workers are not eligible for benefits due to their type of work, and many workers that are eligible choose not to apply.

States have also implemented many barriers that make it harder for unemployed workers to apply for or receive benefits. Poorly designed websites have made it challenging for the unemployed to apply; in an effort to lower the number of people eligible for unemployment and prioritize corporate interests, states have implemented tighter restrictions ranging from narrowing the definitions of a qualifying separation event to stricter job-search requirements; and some states also have cut the duration of benefits and increased the amount a worker needs to earn in order to qualify.

These deterrents are by design. Florida’s UI system “was problematic from its inception,” said Dwight Bullard, political director of the New Florida Majority. “You can be kicked out for not putting in enough information, for putting in too much information, or a simple failure to cross a ‘T’ or dot an ‘I’. If you have not done the right thing, you are talking about months of waiting, and you’re waiting for just \$275 a week.”

### **The Goal of These Myths: To shame, Stigmatize, and Disincentivize Workers from Applying for Benefits they Earned**

It is difficult to know how many people who are eligible for unemployment insurance have actually given up on applying, or never even tried to apply. According to [a survey by the Economic Policy Institute](#) conducted in April,



for every 10 people who successfully filed for unemployment insurance during the previous four weeks, up to four additional people could not gain access to the system to make a claim, and two didn't even go through the trouble because it was too hard.

There are those who don't apply because they don't believe they're qualified for benefits—a common belief that's prevalent among Black and Latinx workers. Working America's digital canvassing program (through targeted emails, text messages, and phone calls) found that about 52 percent of **Black workers** who are eligible didn't even know about the new federal benefits and the expanded eligibility requirements. But most of all, among Black and Latinx workers, “there is a feeling that the program is for them, not for me,” said Rebecca Dixon, executive director at NELP, in an interview with our team.

Some of our interviewees felt a stigma attached to being unemployed and filing for assistance. “The process is humbling,” said Ryan, a financial manager for a car dealership from Lexington, Ky. Furloughed in March, he still quickly applied on Kentucky's Office of Unemployment Insurance site with the help of a friend, and received his first payment by early April. “I'm not used to asking for help, moreso used to giving that help. I felt anxious stepping out into the unknown.”

Ryan is anxiously waiting to be called back to work, though his employer has begun reopening. So far, they've called back a select few in his department, which has raised some concerns for him. He still holds on to his faith. “They know I'm a person of faith, so you know, they'll call me.”

## Southern Generosity Isn't Extended to all Southerners

*“The American system of unemployment insurance is a remnant of Jim Crow.” -*

**Colin Gordon**, American history professor, University of Iowa

The Southern region of the United States is home to 58 percent of the country's Black population. It's also home to **8** with the stingiest and least supportive UI systems.

The list includes: Mississippi, Louisiana, Georgia, South Carolina, Alabama, North Carolina, Tennessee and Florida—which together make up 8 of the 10 states with the highest percentage of Black residents. Florida is home to the second largest Black population in the country (after Texas). All of these Southern states, once home to the Confederacy, have histories deeply rooted in racism and inequity that still persist today. They're among the poorest states in the country, with many having the highest poverty rates in the U.S. (Mississippi ranks at the top of that list). Florida has the **3rd largest** in the country and, according to Pew, between 2010 and 2019, the Latinx population in the South increased by 26 percent—growing **faster than any other region in**.

Among “the 10 states where fewer than 15 percent of unemployed people received benefits in March, **seven were in the South.**” That rate is just below half the national average and further highlights the disparity in UI benefits and reciprocity across the country. Where you live and work impacts the benefits you will receive—and the South is not known for its generosity when it comes to unemployment insurance.

Since 2009, the region has contended with the slowest economic and wage growth; unemployment and poverty rates remain high across the region. “We're particularly vulnerable because our systems are not great,” said Sarah Beth Gehl, research director of SEAP. Communities of color—especially African Americans—are “concentrated in the South; so, not lifting this area up means making the inequities worse. This moment will exacerbate large inequities that we've already experienced for hundreds of years.”

Gehl and many of the experts we spoke with emphasized the South's restrictive UI eligibility and lack of support for workers of color in the region. They also noted that a lack of investment in the South would make it difficult to recover from this recession, negatively impacting the regional and national economy.

## The Rural South: The Enduring Legacy of Slavery and Jim Crow

People often conflate “rural America” with “white America” and, in doing so, erase the experiences and needs of people of color living in those communities. In actuality, rural America is increasingly diverse, and home to large numbers of Latinx, Native American, and Black populations. And while systemic racism hurts Black communities across the country, the legacy of slavery and Jim Crow laws have had a lasting and negative impact on the economic well-being of the Black rural south. In fact, **Opportunity Insights** found that, in general, while youth from rural areas had a better chance of achieving upward mobility than their urban counterparts, **the same was not true in the south**—where youth in rural communities had than in urban centers.

“We need to make deep investments into the people who live here,” said Jessica Fulton from the Joint Center for Political and Economic Studies. In February, they released “**An Introduction to the Future of Work in the Black Rural South**,” which comprises 156 counties designated as rural by the U.S. Department of Agriculture and having populations that are at least 35 percent African American. Key findings from the report highlight the risk of job displacement due to automation by 2030 and fewer new jobs being created. In fact, they estimate that the Black Rural South will see **negative 9 percent job growth over the next decade**.

Job displacement and a decline in new jobs, combined with a recession and global pandemic, spell disaster if the government fails to intervene and provide support to economically vulnerable workers and families. And while UI and other government programs have been a lifeline for people who have lost work, benefit amounts in the South are insufficient in covering workers’ lost wages.

Among those who have received unemployment benefits in 2018, many southern states **covered less than 40 percent of lost wages**. Louisiana, for instance, covered only 36 percent of lost wages; compared Iowa, which covers about 53 percent in lost wages.

Many states chose to **lower payroll taxes** for businesses at the expense of building a safety net for their constituents. This is especially true for the key states that comprise the Black rural south—Alabama, Mississippi, Florida, Tennessee and Louisiana—all which offer less than \$275 a week in maximum benefits. Kentucky is among the most generous in benefit amount, offering \$552 a week; but the state cut the duration of benefits to 16 weeks—10 weeks less than the national norm of 26 weeks—before the pandemic. Duration of benefits matters: a year ago, during a period of record low unemployment, the average duration of unemployment was about 21 weeks. For Black workers during this same timeframe, unemployment averaged 25.9 weeks—lasting 5 weeks longer than the national average.

“Wages and unemployment have stagnated for decades,” said Michele Evermore from NELP. “Many workers cannot live on the wages they are making, much less on an unemployment benefit that is a small fraction of their regular wages.”

If Southern states don’t step up for their residents, then the federal government should. Mandating a minimum 26 week duration for unemployment benefits and setting benefit minimums would go a long way in protecting Black and Latinx workers in the south and making sure they have the support they need to weather periods of job instability and financial insecurity. The government should ensure that UI benefits cover a greater percentage of workers wages and that eligibility requirements are not designed to disadvantage vulnerable workers and keep them from receiving benefits to which they are entitled.

Still, these patterns of racism must be faced head on and rooted out within the system to ensure the equity that workers of color deserve. The South, and especially the Black rural south, for too long have been haunted by the spectre of slavery and Jim Crow. Building ways for Black and Latinx southerners to thrive economically is one step toward reconciling the past with a more equitable future.

## The Digital Divide and UI Modernization: States' Moves to Online Applications Worsen Accessibility

In a [1996 Bloomberg News article](#), a tech executive declared in an interview that “the internet is the great equalizer.” He boasted that its capabilities as a technology will level the playing field for all—major corporations, small businesses and the average Joe, alike. Flash forward to 2020: much has evolved and been optimized in technology—from online shopping and streaming blockbuster films to hailing a rideshare and staying socially connected. Yet in the three decades since the online world has exploded onto the scene, one fact still stands: *the internet can only be an equalizer if people have equal access to it.*

Much of daily life during this pandemic—with states’ shelter-in-place mandates and closure of nonessential businesses—is digital. Millions of those still employed are able to work from home; and sadly, for those laid off and furloughed during this crisis, they’re able to apply for unemployment benefits, even with the mountain of technical glitches. But far too many Americans still don’t have access in their homes to the technology and affordable high speed broadband they need to succeed in today’s economy—and these disparities fall along racial lines, heightening concerns around equity regarding race, education and class.

“I don’t have internet service; and I don’t have access to a laptop, a tablet, or anything like that,” said Loretta, a former home health aid from Milwaukee, Wisconsin who lost her position in April. The state’s Department of Workforce Development (DWD) [encourages claimants to use its online services](#), leaving Loretta to search for telephone assistance. She spent two months trying to access and finalize her UI application—all via her mobile phone. She had to rely on a friend who was better with navigating their smartphone to check the status of her claim, which was still pending when we spoke to her in July. “It’s really frustrating.”

Originally from Mexico and now living in Brooklyn, Gloria faced a similar dilemma and asked a community organization for help. Even though “la aplicación estaba en español, pero eso no importa porque no tengo computadora. *(Even though the application was in Spanish, it didn’t matter because I don’t have a computer,)*” said Gloria during her July interview.

Black and Latinx adults like Loretta and Gloria remain less likely than white adults to own a personal computer or have high-speed internet at home, according to [a survey from Pew Research Center](#). In 2019, just over 80 percent of white adults said they owned a desktop or laptop computer, compared with 58 percent of Black adults and 57 percent of Latinx adults. The racial gap in

broadband access is similar: 79 percent of whites have broadband connection at home, compared with 66 percent of Black households and 61 percent of Latinx households.

The main source of access to the online world for Black and Latinx adults: their smartphones. According to **Pew**, 25 percent of Hispanic and 23 percent of Black adults say they are “smartphone only” internet users—someone who doesn’t have broadband service in their home but owns an Android, iPhone or Galaxy smartphone. The share of low-wage workers who rely on their smartphone for online access has **roughly doubled since 2013**.

The smartphone option—which is cheaper compared to broadband, where costs can reach as much as \$100 a month—slightly narrows the gap, but not enough. Racial inequity in technology continues to tip the scale so far that Black and Latinx adults are finding themselves left even further behind. Before the pandemic, our world already had been reliant on digital access—and it will be even more so now. For instance, school districts and colleges are opting for **online classes and remote learning; companies are maintaining work-from-home plans into 2021**. States are likely to move forward with modernizing their online benefits platforms, a great option for the majority of users but one that risks further disenfranchising the most vulnerable workers and their families.

“The communities that don’t have the technical know-how or access to technology to use [the UI websites], they are the ones who suffer, and that's where the difference is,” said Jocelyn Armand from the Legal Services of Greater Miami, Inc. In 2011, Florida moved to offering only online UI applications, though 33.3 percent of its population earning less than \$20,000 a year **don’t**. The state lifted that requirement and moved to paper applications during the statewide shutdown; still, thousands struggled with their options.

“The portal wasn’t mobile friendly,” added Armand. The Information Technology and Innovation Foundation (ITIF) reported in April that, “86 percent of state government unemployment websites fail at least one basic test for mobile page load speed, mobile friendliness, or accessibility.”

### **IT Upgrades Aren’t the Answer**

As one of many states to fully modernize its UI systems after the last recession (and with the explicit goal of decreasing the amount of people able to successfully file an application), Florida still emerged as one of **the slowest states in the nation** to process the flood of claims during this pandemic. Several news stories, research reports and Congressional testimonies from UI experts have well documented the struggles with UI systems faced in Florida and across the nation—many of which still are reliant on an antiquated mainframe using

COBOL, a 1959 computer language. Even among the states that upgraded their IT systems, mistakes were made throughout the process resulting in “significant disruption in service, systems breakdowns, and further claims backlogs and delays,” said Rebecca Dixon, executive director of NELP, [in testimony before the U.](#)

When he was first furloughed from his sales manager position in April, Baron spent the better part of two weeks attempting to access the state’s UI site. Spending hours filling out the form, he had to be swift “because it would kick me off and make me start from the beginning,” he said.

Micala, a customer service agent from Detroit, also faced similar problems. “If you make a typo, you can’t go back and fix it. You need to reach out to their tech support to fix. So, it takes a significant amount of time.”

In Puerto Rico, technical [glitches in its UI system](#) left thousands of the island’s unemployed waiting for weeks to receive their checks. The glitch: checks were held up at the post office because the government’s UI portal had addressed each letter to “Same”. Applicants provided their home addresses, but when asked for their mailing address, they wrote “same as above.” Since they’re short staffed like many unemployment offices, no one caught the mistake.

“They didn’t have the capacity with people and the technology to handle demand,” said Charlotte Gossett Navarro, senior director for Puerto Rico operations at the Hispanic Federation.

The circumstances in Puerto Rico, where 36.8% of the population don’t have internet access and 28.4% don’t have a computer, had become quite dire. The local government was forced to open its UI offices. Talia, a freelancer, tried her luck to go in person, only to find herself among a sea of thousands who were also unable to file their claims online. This was her best option since online appointment slots were taken up until September.

“[La aplicación] fue frustrante, pero ya estamos acostumbrados. *The application was frustrating, but we’re already used to it,*” said Talia, who is also a single mom of three. “Nosotros acá en Puerto Rico ya sabemos que hay que sentarse y esperar a que ellos quieran cumplir con su deber. Sabemos que será tedioso, frustrante, y que tardará mucho tiempo. *We in Puerto Rico already know that you have to sit and wait for them to want to do their duty. We know it will be tedious, frustrating, and take a long time.*”

## Digital Literacy Among Black and Latinx Workers

The [National Skills Coalition](#) reports that over half of Latinx workers and half of Black workers have limited or no digital skills. These disparities in digital

literacy, or one's ability to use and navigate technology, make it even harder for workers that lack these skills to successfully apply for benefits online.

“There are so many different links, and other processes that you're not accustomed to,” said Ryan, a finance manager at an auto dealership from Lexington, Kentucky about his first experience applying for UI. “It was hard for someone like me to understand, and I use a computer at work all the time.” He later added that it must be even more challenging for people who are not tech savvy.

But it isn't only people who lack digital skills or internet access that have struggled, the disability community is also at a significant disadvantage when it comes to the digital divide. Pew research found that 67 percent of adults between the ages of 18-64 with **disab**, compared to 84 percent of adults with no disabilities. The percentage of adults with disabilities that had home broadband was 66 percent, compared to 80 percent for adults without disabilities.

The American Association for People with Disabilities (AAPD) **provides recommendations** for how to improve the experiences of people with disabilities when it comes to technology, including making websites more accessible. ITIF also has called on Congress to include funds for UI website upgrades in future stimulus packages which will maintain states' UI Trust Funds. States still need to adopt best practices in user-centered design, agile contracting, iterative development, and in recruiting tech talent—as many **states** and the **federal government** have done through the creation of digital service teams. Ultimately, though, the focus has to be on improving the usability of applications **online and offline**.

Governments should view technology for what it is: a tool, and not a solution. The move to online applications cannot come at the expense of applicants that cannot, or choose not to, file online. When designing applications, here are just a few things states should consider:

- **State employees, including the Governor, should have to apply for UI to help them understand the experience from the applicant's standpoint**
- States should offer multiple ways to apply, including options that do not require internet access or a computer
- States websites and application processes must be **508 compliant** and fully usable for members of the disability community
- Websites and applications must be mobile-responsive
- Content should be written in plain language and in multiple languages
-



Processes, documentation, and requirements should be clear and concise

- An applicants' claim status should be clear and appeals should be easy to file
- Sites should autosave applications during the process and warn users when a session will end
- States should design systems *with* users and get their feedback through usability testing
- It should be easy to speak to a human that can provide clear instructions and help, whether on the phone, in person, or via chat

## Last Hired, First Fired: Black, Latinx Workers and the Fight for Jobs

During the summer of 2019, Baron accepted a new job as a district sales manager for a luxury travel company, earning a well-deserved boost in his 24-year career span in the travel industry. At the start of the new year, he saw it all crumbling down with the onset of the pandemic.

By April, Baron's employer decided to reduce employee hours; moved some of its full-time staff to part time; attempted to implement a work-share program; and then consolidated its various departments—all to prevent the bloodletting. With the consolidation of his team, Baron found himself fighting for one of two available sales positions in Florida. In total, he says about 50 of his fellow sales colleagues across the business were going after 10 open spots. "It turned into the Hunger Games," said the father of two, who was furloughed in May.

Though he was eventually laid off in July, Baron learned that he had scored the highest among all of those who interviewed. Still, the company chose to keep its senior sales staff. "Out of all of the folks who applied for the position, I was the one with the least amount of seniority," said Baron, who had to wait four months to receive his first UI payment. "[But] it looks like it was last hired, first fired."

Baron's experience speaks to the pervasiveness of racial discrimination within the workplace and in hiring. Pandemic or not, Black and Latinx workers are among the first to be laid off or furloughed during an economic recession; and when the economy shows signs of improving, they're still among the last to find a new job. Unemployment among Black workers alone during the last three recessions has risen faster and tended to hover at higher levels longer than white workers, according to a study from the [Center for American Progress](#).

While calling for a [paycheck guarantee](#) in order to ensure a more equitable recovery, Economist Darrick Hamilton recently wrote:

*"Years after the official end of the Great Recession, more than 12 million remained unemployed—a disproportionate share were **Black workers**. This pattern is already repeating itself. As white unemployment rates started to trickle down last month, the **Black unemployment rate continued to rise**. This is an old story: In a recession, Black workers are often devalued as the "first fired, last hired."*

Eligibility for UI benefits require that claimants search for, and not turn down, "suitable work," though many work search requirements have been waived through the pandemic. Workers of color are still always at a disadvantage when competing for jobs, and the effects of the pandemic and economic crisis on the

labor market only add to the pressure they're feeling. How can workers be expected to "get back to work" when the jobs aren't there? The jobs that do exist are unlikely to go to workers of color first or are jobs that white workers would find unsuitable—low paying, arduous labor that puts workers of color at a higher risk of contracting COVID, or volatile scheduling and unfairness in shifts, often presenting issues for parents that cannot afford childcare.

"Black and Latinx workers are risking their health to keep society running by working in devalued jobs in factories, grocery stores, and nursing homes," said Jessica Fulton, Joint Center for Political and Economic Studies. "These workers deserve to feel safe at work, and when they can't find work that keeps them safe, they still deserve to have the kinds of stable incomes that will allow them to plan for and afford expenses like food and rent."

The January 2020 Census Population Survey found that **newly hired Black workers were more likely to have jobs vulnerable to the pandemic**, including sales positions and food preparation. These jobs were among the many first to go when state closure went into effect. If there was ever a time to level the playing field and break through such deeply rooted racial discrimination in hiring and the overall workplace, it is now.

### **Work Search Requirements Serve as a Constant Reminder of Discrimination in Hiring**

When a recession hits and businesses start to downsize, it's most often the senior positions that are protected, as was also the case for Brandy, who had been working as a social worker through New York City's child services department for over a year before she was laid off. "It was me and another coworker who lost our jobs," said Brandy. "People with the most seniority kept their jobs, but we were the first fired."

It took Brandy 10 weeks just to apply for benefits, encountering so many issues that she needed to reach the call center for support. When we spoke with Brandy in July, her application was still pending. Apart from spending multiple hours a day trying to navigate the UI system online or over the phone, Brandy is looking for work. "It's tough, nobody answers, you can't reach offices, you want to work remotely, but there are no call backs." She hasn't heard back from her last employer, either. "They say there is a lot of change. I'm hoping for a call back, or getting another position, but it is difficult."

Often, when businesses do begin to rehire, especially in a labor market where many people are out of work, they are able to rewrite positions and lower wages, effectively forcing jobseekers to compete for lower quality and lower paying jobs than they had before.

It is also likely that many jobs won't soon return, if they return at all. Amid his job search, Baron has yet to find something that meets his skill level and has even entertained leaving the travel industry altogether, out of concern over how the industry will be impacted by the pandemic. In his home state of Florida, the Department of Equal Opportunity had required applicants to take an initial skills review, register with a one-stop career center for reemployment services and to contact at least five prospective employers each week to continue receiving benefits.

"I want to be hopeful about the future, but it's hard to think that things are going to get better," said Baron, adding that he applied for a middle school basketball coaching position, considering his daughter plays. "So right now, I'm being very cautious about everything."

Like Baron, Brandy is also having a hard time remaining optimistic. Receiving benefits would be critical for Brandy, as it is for millions of other people that have lost work. She said the additional money will help her pay her rent and other household essentials. As she waits for her unemployment benefits, she finds solace during morning walks in the park. "You work hard, you do your best, and at some point you just feel cast aside. I'm exasperated already."

Among our interviewees, there are also those who were furloughed and are still waiting to be called back to work. The longer they wait, the more they question their employer's motives. "I am the only African American in my entire company, and they've opened up," said Ryan, a finance manager at a car dealership from Lexington, Kentucky whose employer reopened its business in early June. "No one has called me back, they've called all the rest of my counterparts to come back in and they are making very good money...it seems like a good old fella's system where they take care of themselves first."

## Rooting Out Inequity in Hiring

Baron, Brandy, and Ryan are not alone in their experiences. As the economy recovers, the government must take steps to ensure that workers of color are not left behind—identifying barriers that keep Black and Latinx workers from accessing jobs and placing them in a clear disadvantage. Businesses should consider creating **work-sharing programs** that would allow employers to spread layoffs across their entire workforce instead of laying some people off entirely, while supplementing the remainder of workers' wages through UI. As companies begin rehiring, they should be incentivized to notify former employees first, giving those workers an opportunity to apply for those jobs while also decreasing training costs for the business, as former employees will be familiar with company operations. State policies, which often benefit employers over employees, could also be modified to better serve workers—notifying them when a former employer has started rehiring. Finally, the federal government

should ensure that all states provide unemployment benefits for at least 26 weeks, long enough to cover the average length of unemployment periods for all workers, especially workers of color.

## The Power of Employers

Many individuals who are eligible for unemployment benefits **do not actually collect them**. While we cover many of the reasons why this happens throughout the report, what we did not anticipate in our interviews was how much employers impact workers' ability to access and receive unemployment — and even determine the validity of an unemployment claim.

In the best-case scenario, our interviewees' employers reviewed with them what benefits they were eligible for, assisted them with their applications, and even ensured that they wouldn't contest their UI claims. For temporary or gig workers, these “non-traditional” jobs can introduce a lot of confusion about which programs a worker might be eligible for, if any. In these cases, support —*and even encouragement*— when applying for pandemic unemployment benefits went a long way. But our interviewees also shared horror stories highlighting inaccurate employer-contested claims, fear of retaliation, and more.

### So, How Do Employers Keep their Employees from Collecting Unemployment Insurance?

**Contesting unemployment insurance claims.** When employers contest UI claims, it is often to keep their experience rating, or the taxes they pay into the UI system, from increasing. To be eligible for unemployment insurance, an individual must stop working through no “fault of their own”—most often meaning they did not quit or were not fired. How is this determined? Usually by verifying the claim with the employer. This puts employers in a powerful position: if they contest a claim, it is hard for an employee to counter their word. This means that they can keep an employee from collecting benefits. It can even chill them from applying in the future.

One of our interviewees' husband, Mique, declined to take an extra shift because his second child was due at any point. When his employer told him not to come back to work, Mique thought he had been laid off and soon filed for unemployment. He discovered two weeks after receiving benefits that his employer saw his decline for overtime as insubordination. In his letter from the unemployment office, Mique was told he “falsified information in his application and that he got fired from his job... and that was the first we heard of him being fired,” said Inez. “We knew it wasn't true but that there was no one to back him.”

One segment in that letter scarred them from ever applying for UI again: “It said that if we tried to apply again, even though it would be a fresh application, the new application would say that he lied in the past and they would do an investigation to see whether [his new claim is] legitimate.”

This letter was sent three years ago; and now, when they could have used the extra financial support for themselves and their three children, they chose not to apply. Mique caught Covid and lost work hours. Inez held faith that his current employer would have supported his claim, but still they opted out simply because, “by the time it would take to get the approval after the investigation, he’d already be back at work.”

**Job instability creates room for intimidation.** Workers with less job stability fear the potential of straining their relationship with their employer by filing an unemployment insurance claim. “I know that they would prefer me to work and I don’t want to create conflict,” said Edna, a Chicago-based home health-aid who gets her assignments from a healthcare staffing agency. After the pandemic hit, the elderly client with whom Edna worked decided that having an aid posed too much of a risk, and Edna was let go from that assignment. “I still work, though my job is at a standstill,” she said. Edna had no income but saw herself as working because she was oncall — if the agency called her with an assignment, she’d be available to take it. She is among the many workers in “zero-hour contracts,” still on the payroll but not being given any work.

Edna expressed concern about upsetting the agency that finds her jobs, worried that speaking up might result in them not calling her into work as frequently. It’s not uncommon for employers to punish low-wage or temporary workers by reducing their hours or assigning them erratic shifts, often referring to them as “hard to work with” or “difficult”.

Immigrant workers, who may be eligible for unemployment benefits, might also face intimidation or retaliation in the workplace. Gloria, a green card holder who works as a janitor at an entertainment venue in Brooklyn, expressed concern about losing her immigration status, were she to apply for unemployment insurance. Though green card holders are eligible for UI, a lack of clarity and information from employers can lead to fear and confusion about the process.

**Pressuring or withholding information from employees so that they work, despite their fears of being exposed to the virus.** To be eligible for unemployment insurance, workers cannot deny “suitable work” when it is available. For many individuals today, working during the pandemic feels scary and presents a real health risk. Whether those fears are sufficient to deem work unsuitable is up for debate, with the **Labor Department** recently issuing a letter clarifying that jobs that might unreasonably expose a worker to Covid-19 could be deemed “unsuitable work”. Still, many employees assume that if their employers call them back to work, they have to go back. They worry that if they don’t show up to work, that they may harm the relationship that they have with their employer. They also believe that by choosing not to work—even for health reasons—that they would forfeit eligibility to collect unemployment insurance benefits.

There are also employees whose employers withhold information to get workers to show up on the job. Nakita, a certified nursing assistant (CNA) from Chicago, said she had been working for a continuing care retirement community that had not been forthcoming with the Covid-19 cases within its facility. If she had known how many infections were found at the facility, she's not sure that she would have stayed as long as she did.

She left her position when Illinois issued its stay-at-home order in March because she didn't want to potentially expose her family to Covid-19—especially her mother, who is immunocompromised. The chances of that happening were high, she said, since she worked closely with a population susceptible to the virus. She asked in her July interview: “Why do I have to jeopardize the health of everyone around me—my children, my mother, my fiancé, and even those I work with?”

Radhiya, along with her husband, faced similar concerns. In her July interview, she shared that her husband left his position at a major retail chain because he was afraid of contracting the virus and spreading it to the family—in particular their four children, two of whom had caught the flu in February. When we asked if he had applied for unemployment, she said no. He didn't trust the system because of his past experience applying nearly two years ago, when he was approved and collected unemployment for two months. He later received a notification from the Illinois Department of Employment Security (IDES) that he had been overpaid and was told to pay back a “ridiculous sum,” Radhiya said. “He basically said to me: ‘Why would I apply and have them do me the same way, and end up going through the same thing again?’”

**Employer filed claims don't always benefit workers.** Employer filed claims work well enough in practice. Workers that have been laid off or had hours reduced but remain “job attached” (meaning the employer intends to rehire them) might benefit from employers submitting claims on their behalf, thereby speeding up the eligibility verification and overall process. But in reality, employer-filed claims can create **additional obstacles for claimants** waiting to receive their benefits—from missing weekly recertifications to inputting incorrect information. Often, workers have little visibility into these employer-filed claims, or might submit their own claim due to a lack of clarity from their employers, creating additional processing issues. Ultimately, nobody is more invested in making sure UI applicants receive their benefits than the applicants themselves. Even when employers are wanting to do right by their employees, some find they are too overwhelmed or lack sufficient knowledge about the process.

When furloughed from his position as an athletics facilities manager at a local college, Donald said his employer notified him about his eligibility for UI but didn't share much beyond that point when it came to the overall process and next steps. “HR gave us information, but they didn't have answers a lot of the time,” said Donald, who's from Cincinnati, Ohio. When he hadn't heard back on the status of his UI claim, he emailed his HR representative who “brought in a liaison



from the unemployment office,” he said. That liaison told him that his contact information would be sent to the state’s Office of Unemployment Insurance Operations which would result in a quicker response to his queries, than being placed in a queue. “But I’ve never heard back from them.”

In the end, Donald and many of his fellow colleagues came together in a group text chat, offering tips and information on how to handle those challenges with the UI office and their claims. After a months-long wait, he received his first payment in late June.

**Still, employers wanting to support and advocate for their workers—especially if they have to lay them off—can play a big role in helping them access unemployment insurance:**

- **Notify employees when they are eligible to apply.** According to the National Employment Law Center (NELP), many people who are eligible for unemployment insurance don’t apply because they don’t believe they’re eligible. Incentivizing or requiring employers to notify employees (or former employees) when they are eligible for benefits would be a huge support and add clarity to an already confusing situation.
- **Let employees know that if they apply, you won’t contest their application.** The idea that an employer might contest their application, or that it might sour a relationship, can have a chilling effect on a worker’s decision to apply for benefits. Edna, a homecare worker who is employed by a staffing agency but working zero hours, told us, “The job doesn’t want you getting unemployment. I know that they prefer me working and I don’t want to cause any conflict.” Still, says Edna, “I applied for unemployment and they told me in a letter that I qualified. But I never received it. Not sure how that happened or where it went. Not sure if the job held off paying it.”

Even if an employee correctly files an unemployment insurance claim, employer contestations can have dire consequences for the applicant. The most obvious being that they won’t end up collecting benefits, or worse, needing to repay benefits that have already been paid out and spent. These experiences may have a chilling effect, leading eligible individuals to avoid applying for benefits in the future.

- **Help employees with their applications.** There are ways employers can help employees apply without taking on responsibility for the entire application themselves. For example, Michelle Evermore, unemployment expert and senior policy analyst at the National Employment Law Project, says “The way I would prefer it to happen is **employers notify the**

agency about who they laid off [and] how much they were paid,” without making employers responsible for such actions as recertifying.

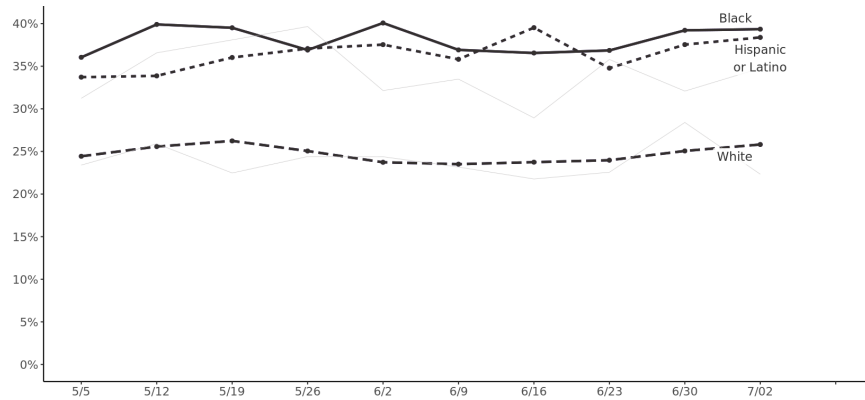
- **Safety concerns as just cause for quitting.** Especially during a pandemic, workers should be able to reject work as “unsuitable” when it would potentially put their health and the health of their families at risk. Making safety concerns a just cause for quitting or rejecting work would allow workers to collect UI benefits and minimize exposure to them or their families.

## Unemployment Insurance Isn't Enough to Keep the Family Fed

After Francis was furloughed in March, he waited to apply for assistance. In April, he applied for UI, and in May, he applied for food stamps. He hasn't heard back from either. His brother has been helping him, "holding the bills down until I see my checks coming in. Also, New York City [has] a lot of food initiatives, where they deliver food to your home, if you like. My brother's a senior, so he gets food delivered to the house, which has been a blessing."

One long-term consequence of insufficient access to UI payments is an increase in food insecurity. The number of families experiencing food insecurity—**de** "the disruption of food intake or eating patterns because of lack of money and other resources"—has **dou** since the beginning of the Covid-19 pandemic—and there are clear racial disparities when it comes to which families are more likely to lack adequate access to food. According to the **Covid-19 Pulse Survey**, administered by the Census, food insecurity is almost 50 percent higher for Black compared to white families, and rates of food insecurity among Latinx families is almost as high as among Black families. For example, in the first week of July, 24 percent of white families said they didn't have enough to eat, while 38 percent of Black families and 36 percent of Latinx families experienced food insecurity.

## Food Insecurity by Race, Households with Children



Source: Institute for Policy Research, Northwestern University. "Visualizing Food Insecurity: Weekly Food Insecurity Rates During Covid-19." Accessed at: <https://www.ipr.northwestern.edu/state-food-insecurity.html>. September 9, 2020.

Hunger and food security does not exist in a vacuum. Lack of access to basic necessities is a result of interrelated disadvantages that marginalize certain communities. The economic fallout of the pandemic is exacerbating existing inequalities, and the following factors have led to a drastic increase in food insecurity among Black and Latinx families. Other factors leading to higher rates of food insecurity among families of color include neighborhood inequality, wealth gaps, and the rising cost of food—which have **skyrocketed** during the pandemic. Egg prices have increased 16 percent and, overall, food prices have increased by 4 percent, the largest month-over-month increase since 1974.

## Wealth Gaps Lead to Racial Differences in Available Resources

Wendy has her own business, and applied for food stamps when she was forced to close. When she first applied, she was only offered \$16/month. The department went by the amount she earned last year. But as Wendy explained, "They shouldn't have looked at what I made last year. If I don't have anything in the bank now, what does it matter?" Black and Latinx workers had less of a financial cushion to fall back upon when they lost their jobs: like Wendy, not many had money in the bank.

Black households have less than **seven cents** for every dollar held by white households. In 2016, the **median** white family (or average middle class family) held \$149,703 in wealth, compared to \$13,024 for the median Black family. According to a survey fielded by **Pew Research in**, 73 percent of Black adults and 70 percent of Latinx adults said they did not have enough emergency funds

to last three months, while only 47 percent of white adults said the same. This means that white families are more likely to have a financial cushion. For Black and Latinx families, however, there's a greater chance there is less wealth to tap into, and families go hungry.

## Neighborhood Inequality Makes it Harder to Access Affordable Food

Neighborhood inequality is an important driver of racial disparities across a range of outcomes. Low wage workers and people of color are more likely to live in **food deserts**, or areas in which there is limited access to supermarkets and healthy food items. For example, in **Birmingham**, Alabama, 88,000 residents live in food deserts, and the vast majority are Black or Latinx.

Black and Latinx families are also less likely to have access to a car than white families. While only 6.5 percent of white families did not have a car, 12 percent of Latinx families and 19.7 percent of Black families **lacked access to a vehicle**. This makes it even harder for families to seek out new food options. Living in a community with little access to fresh groceries either **means** an individual has to expend time and resources to go to another neighborhood to get food, or that they must make do with corner stores, which tend to be more expensive and have less options. The end result: Black and Latinx families, as compared to white families, pay more for food that is often lower quality, or spend more time than white families accessing other options. Particularly during the pandemic, when public transit may be unsafe or inaccessible, this is a significant hurdle.

## Increasing Food Security for Black and Latinx families

Baron, who lost his job at a travel company, applied for UI and for the Supplemental Nutrition Assistance Program (SNAP). He explained, "I will tell you what—the food stamps. That's been my lifesaver. I would definitely be in a worse place than I am now if it had not been for food stamps. I got the maximum amount." SNAP has important long term benefits for families. However, not enough families receive SNAP, and the benefit levels are too low. Benefits often run out by the end of the month, with the majority of SNAP recipients spending 80 percent of their benefits in the first two weeks. Increasing benefit levels is essential to ensuring that families have enough food to last the whole month.

Improving the application process for SNAP is also crucial to meeting the needs of recipients. Baron said that "if unemployment was handled like food stamps were handled no one would be complaining. Let's say—I applied for food stamps on a Monday and had it by Friday. Everything was done quickly and very smoothly." However, SNAP is administered differently in every state and in some cases is administered by the county. This means that the experience varies

tremendously. Ensuring that all applications are processed as smoothly as Baron's would make sure fewer people go hungry.

Furthermore, while states were given the option to increase benefit levels for families who were receiving SNAP but not receiving the maximum, they could not increase the overall maximum state-allowed allotment. This meant that families who were most in need before the pandemic and receiving the maximum allotment of SNAP benefits saw no increase in their benefits. Congress should increase the allotment by shifting from the "thrifty" meal plan to the "low cost" meal plan, which would increase benefit levels.

Finally, the federal government should consider adding a community eligibility component to SNAP. The National School Lunch Program already contains a community eligibility component, where every student in a high-poverty school receives free and reduced priced lunch. Creating a similar provision in SNAP for communities that are particularly hard-hit by the economic fall-out of the pandemic would ensure no one goes hungry, prioritizing access and reducing administrative burdens for the remainder of the pandemic.

## Learning from Past Economic Recessions

A little more than ten years ago, the U.S. was deep into one of the most severe and longest lasting economic recessions since the Great Depression. Millions lost their jobs and homes, and household wealth plummeted. While everyone across the nation felt the harsh sting of the Great Recession—it lasted from December 2007 to June 2009—communities of color suffered more severely.

U.S. unemployment **peaked** at 10 percent during the Great Recession, but unemployment rates were much higher for Black and Latinx: 16.8 percent for Black workers and 13 percent for Latinx workers, according to the **Bureau of Labor Statistics**. Unemployment among Black and Latinx workers didn't return to pre-recession levels until 2017, and these communities had the highest rates of foreclosure and lost the most wealth during this period. What's worse, some families never fully rebounded from that grim period.

Today, the nation is in the middle of a pandemic that has already wreaked havoc within communities of color, and economists, advocates and political leaders warn that many of the factors that led to the racial disparities in unemployment, homeownership and wealth during the last recession are still pervasive today.

“Over the history of our country, we have weathered a number of these sorts of colds, but in every case, it is clear that when America catches a cold, the black community has caught pneumonia,” wrote Rep. Bobby Rush (D-Ill.) in an **op-ed for the Chicago Sun-Times**. “This time, however, there is an actual virus that is ravaging our nation.”

Rep. Rush acknowledges that there are many lessons—and factors—that he and his fellow policymakers need to heed if they don't want history to repeat itself. Unemployment among Black and Latinx community is concerning from a historical standpoint, especially as jobless workers examine their fate during the last economic crisis.

The severity of the Great Recession, for one, made it difficult for laid off workers to find new jobs, which resulted in them exhausting their UI benefits. By July 2009, for example, nearly 51 percent of UI claimants exhausted their regular benefits. This was the highest rate of benefit exhaustion on record and “a painful indicator of the difficulty of finding a job in the current economy,” **according** to the Brookings Institution, challenging critics who saw extending UI benefits doing little to boost spending and more as a disincentive to find a job. As we noted earlier, Black workers alone experienced longer periods of unemployment—at 27.7 weeks in 2011. “Extended UI benefits provide crucial help to the Americans who have suffered the most in the recession—the laid-off workers who have been without work for six or more months. The benefit extensions enable

these workers to maintain higher consumption than would be possible without the extra benefits.”

## A Bleak Outlook Among the Unemployed

When looking back at the Great Recession, the experience was mixed among our many interviewees. But still, for all, they’re forced to reassess their future job prospects and financial wellbeing. “Back in 2008, I had family who could give me support ... and I felt like [I] could always get a job. I had always been an essential worker,” said Brandy, who was laid off in March from her social work position. “Now, you can’t even get through to anyone.”

Brandy, who lives in Bronx, New York, says it took over three months to get her UI application submitted and approved. As of July, her first payment was still pending without a clear reason from the New York’s Office of Unemployment Insurance. “I’m exasperated,” she said

Wendy, who owns a party supply rental business in Queens, N.Y. had a similar story. “I lost everything during the last recession,” explained Wendy, who filed for bankruptcy and was forced to apply for public assistance. “[Applying for public assistance] was so hard and such a pride thing , raising four kids and not knowing where and when your next meal will be.”

This year, Wendy expected to turn a profit on her business. The pandemic changed that. While her family is stepping in to help, she doesn’t have a true staff to manage; therefore, she didn’t think she qualified for the Paycheck Protection Program. She did receive a small business loan which will help to keep the business afloat a couple of months, and she was able to collect \$182 a week in unemployment insurance, on top of Pandemic Unemployment (which expired at the end of July.) The extra \$600 was the difference between being able to survive and falling on even harder times, she says. Wendy believes small business owners should receive more support during this crisis.

“They’ve left us out in the cold ... particularly for business owners who have no employees but [still] pay taxes. I still have to pay the rent for my building; and that’s like trying to take blood out of a stone,” she says. “With stimulus out the door, and my business not up and running, it’ll be a struggle to survive.”

## The "Lasting Damage" of the Pandemic

Federal Reserve Chairman Powell **warned about the “lasting damage”** the pandemic can have on our economy if fiscal and monetary policymakers don’t step in to mitigate the downward slide in our economy. While the stakes are high for everyone, he has acknowledged that they’re even greater for vulnerable,



marginalized communities. Some economists and advocates are concerned that the damage is already too difficult to repair. Some jobs are not going to come back. Entire industries may never fully recover. The existence of certain jobs may disappear. Industries such as travel, entertainment, fitness and restaurants may not return to normal.

“Low-income households have experienced, by far, the sharpest drop in employment, while job losses of African-Americans, Hispanics and women have been greater than that of other groups,” Powell said in testimony before the [Senate Committee on Banking, Housing, and Urban Affairs](#). “If not contained and reversed, the downturn could further widen gaps in economic well-being that the long expansion had made some progress in closing.”

The longer the pandemic and current recession persists, the deeper the wounds will be for communities of color. Among Black workers alone, they have never experienced full employment, said Janelle Jones, managing director of policy and research at Groundwork Collaborative.

“A huge primary need is helping [policymakers] understand the facets of racial gaps, in terms of access,” said Jones, who co-wrote a recent report [“The Impact of the Covid-19 Recession on the Jobs and Incomes of Persons of Color.”](#) In the report, she and economist Jared Bernstein have called on the U.S. Federal Reserve to target monetary policy not only on the overall unemployment rate but the Black unemployment rate — delivering more racial equity.

Following eight years working in luxury retail and more than 20 years in finance before that, Francis is considering retiring in September. “I can’t do this anymore,” said Francis, 65, who has been furloughed since March.

It’s not a rash decision, he said. He remembers the struggles he faced following the Great Recession, spending four years hunting for a job in finance. He was forced to make a switch into luxury retail, offering lower pay. But for him, “I got peace of mind,” he said.

Amid the pandemic, he has waited nearly four months for just the first unemployment payment from New York State’s Department of Labor. That’s after spending the better part of a month struggling to access the state’s website and unemployment claim assistance line for help with his application. When he finally received a notification from the state, it was a letter that arrived in late May stating he had been approved. Since then he’s received others reminding him to recertify for his benefits which he’s done each passing week.

“But there’s no payment. Nothing—it’s very frustrating,” he says. Because the state’s unemployment offices were closed, “there was no one you [could] go to and plead your case. I’ve never seen anything like this.”

## Where Do Workers Turn When the Government Fails Them? To the Community.

When Gov. J.B. Pritzker (D-Ill.) announced the state's stay-at-home order, Radhiya banded together with her close neighbors in her far South Side Chicago neighborhood. They often checked in on each other and, when they could, they would shop for food and other essential items for one another at the local grocery store. Radhiya, who braids and twists natural hair for extra income, styled the elderly ladies' hair for free. And when a neighbor went missing for a few days, Radhiya knew something wasn't right. "I learned that they had caught the virus, and we hadn't seen them because they were quarantining," Radhiya said during her interview in July about the pandemic's impact on her family and the surrounding community.

"But this is what we do—we look out for each other. We normally know what's going on with everybody, and who's going through something," said the mother of four who is pursuing a degree in automotive technology. "We help each other when and where we can."

Radhiya is among many interviewees—all who were Black and Latinx—who found a way to survive and thrive while navigating through the current crisis. It is what communities of color do—during good and bad times; they join together and rely on one another as a community—be it their neighbor, family or even seek the support from a community-based organization. There's very little, if any, expectation that the government—state, local or federal—would have their back (even though it should). In fact, Black and Latinx people largely assume that it wouldn't; and in the case of this pandemic, our interviewees weren't any different in their planning around the economic and health ramifications of this pandemic; and held onto faith that everything would work out.

"It doesn't matter what hurdle is thrown in my way or in front of my family, we will find a way through it, or around it," said Radhiya. Her husband left his retail job out of concern he would contract the coronavirus and infect the family; and he opted not to apply for unemployment insurance because of past experience receiving benefits and later being told he was overpaid, thus having to pay it back.

### Relying on Family through Hard Times

Family remains a central point of support for many of those we interviewed. "My mother is the backbone of my family," said Andrea. She along with her mother, her eight siblings, her toddler son, and several nieces and nephews share a six-bedroom home together. While she acknowledged the time together can be stressful, it has also been a huge relief as they've pooled together their resources

to take care of rent, food and other expenses. Andrea and her mother, who worked at a daycare, are the only two in the household collecting unemployment; Andrea got her first payment in April – a month after she was furloughed. Her payments have since been deposited intermittently into her account, and she was told the lag was due to the system being overwhelmed with claims. She still wonders: “Why should it take two weeks to get my payments? This is really the only money [I] have right now.”

She also noticed that everything seemed to evolve into a vicious cycle. After her unemployment deposit, her EBT payment was reduced; she received two-weeks worth of emergency food stamps; and she used the last of her savings on her part of the rent. Lastly, she has searched for work but has found nothing that fits what she wants to eventually pursue and is obtaining a degree in – criminal justice. “It’s been a little rocky . . . but my mom will cover me, if I need her,” she said.

Some of our interviewees have relied on friends for support during this tough time. Loretta had been working as a home healthcare aid to her brother until his passing in April. On that day, she lost everything – the last of her family and her only source of income with the agency. But it has been friends from church and within her community, who have stepped in to offer some help – be it encouragement as she navigates the challenging steps applying for UI or helping to connect her with other financial assistance programs such as for rent. This has kept her uplifted, as she waited for her first unemployment check.

“Everyone is stricken with this pandemic, but my friends have been able to give me mental and emotional support,” said Loretta. As we shared earlier in her story, it took two months to access the state’s unemployment office and finalize her application via phone. A friend checked the status of her application, which was pending when we spoke with her. “I am dealing with everything the best I can.”

## Hustling to Make Ends Meet

*“Everyone in Harlem needed some kind of hustle to survive.” – Malcolm X*

In April, Isabella Rosario wrote in NPR’s Code Switch about the **origins of “hustling”**, which has been largely co-opted by wealthy white millennials that view these side gigs or hobbies as optional side projects in a work-obsessed culture, but that for low-wage workers is a necessary to their economic survival. That ‘side hustle’ or ‘gig’ has served as a financial buoy for many Black and Latinx families in particular – at all times, pandemic or no. Be it setting up a small hair studio in the home like Radhiya or selling homemade body and hair care products as Micala does, Black and Latinx families are creative in building their own economy – especially when there’s minimal government support.

“I still consider it something I do on the side,” said Radhiya. When she’s running low on cash and needs to replenish essential household items, Radhiya will take on new clients—on average about six people a month – charging at most \$100 depending on the style. She’s focused on earning her degree and opening her own auto body shop.

When Inez was 8, she ran her own small candy shop from her parent’s home and has since always desired to run her own business. As she and Mique reviewed their future—what they wanted for their four children—they explored the idea of opening up their convenience store. Last year, they did so in their living room within their flat, selling basic household necessities. “We wanted to see how much we could make,” said Inez. She and Mique are now looking to move into a bigger home with a basement, where they would set up the store.

## Waning Trust in Our Government

Public trust in the government has waned nationwide. A [study by Pew Research Center](#) found that 75 percent of American thought trust in our federal government has been declining, and another 64 percent believed that trust in each other has shrunk—with those surveyed agreeing that waning trust has been a barrier to solving major issues in our nation. When broken down by race, the share of white adults surveyed who trusted the government, while still low (27 percent), was greater than the combined share of Black (13 percent) and Latinx (12 percent) respondents who trusted the government.

Since leaving her job as a certified nursing assistant in March, Nakita has leaned on what her mother taught her as a child: *you have to make a way for yourself—and not rely on the government.* “There’s resilience in our communities,” she said in her July interview.

She had no choice but to make a way for her family when the city shut down. The neighborhood daycare closed, leaving her no childcare options when she was at work. She even held off until June to apply for unemployment with IDES because she had enough in her savings to care for her family; and she received a refund for her 2019 taxes and the federal stimulus payment provided through the CARES Act—both of which she says took care of some basic necessities.

When she did file for unemployment, it struck her as odd that she was required to report her quarterly income, dating back 18 months. That included time she spent last summer working for Amazon, which she expected would nullify her claim. So far, her last employer has yet to respond and she’s been left waiting. During this time, she’s been on the hunt for a new job and taking her course prerequisites in nursing, though the current environment has her examining all of her future career options.

“[Still], I shouldn’t have to make a decision between my life, my family’s life, and needing to make a living,” said Nakita. “[But] I’m going to make it happen. We’re not going to fail.”

### **There’s No Going Back (To Normal)**

*“Black people have always been resilient in the face of unprecedented adversity and a government that does not care about us. We are holding readings for children, book clubs, happy hours and more online. We are leading relief efforts in our communities and taking care of our families. Most important, we are continuing to organize online, through Twitter, conference calls, video chats, and text messaging. As we continue to innovate in our efforts to make our government responsive and accountable to our needs, the government must answer back.”* - Alicia Garza, co-founder of Black Lives Matter writing about her organization, Black Futures Lab for [Time Magazine](#).

The Black Census Project conducted the largest survey of the Black community in America since Reconstruction and identified top priorities and policy recommendations for their [Black Agenda](#).

Black and Latinx are resilient because they have to be. Whether in response to health care, over-policing, or economic security, the government continuously turns a blind eye to the needs of communities of color. And while many people nationwide seek a return to normalcy, this pandemic has exposed the frailties and inequities within our systems that should be impossible to ignore, *that we can’t afford to ignore any more.*

The system didn’t break, it was already broken. COVID has exposed that fact. Returning to a so-called normalcy, in light of what we as a country have experienced over the past 6 months (and communities of color have been experiencing for decades) would be immoral. What we can do now is build it back, better, stronger, and most of all, it *must be* inclusive. And it begins with centering on the voices, needs, and experiences of Black and Latinx workers, and untangling the web of broken systems that have kept them from achieving economic equality.

## Notes



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