

UNEMPLOYMENT-INSURANCE REVISIONS NEEDED;

Ohio's high eligibility standards harm poorest workers most

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The recession is exposing flaws in Ohio's **unemployment-insurance** system.

More than 800,000 unemployed Ohioans sought initial benefits last year, up 42 percent from the year before. The flood of claims has made itself felt in the frustrating busy signals many applicants are getting when they call to file their claims and in the mounting number of jobless whose benefits are running out.

Last year, 80,264 people exhausted their benefits, which last up to 26 weeks. That was nearly two-thirds more than a year earlier. Meanwhile, many unemployed persons don't qualify for benefits in Ohio because we have one of the strictest monetary eligibility standards in the country. To qualify, Ohioans must earn 27.5 percent of the state's average weekly wage, or \$172 a week, for at least 20 weeks.

Under these tight requirements, a worker making the minimum wage must work more than 33 hours each week for 20 weeks to qualify. In every other state, someone who works 20 hours a week all year at \$8 an hour would qualify when laid off.

Not in Ohio. Many of those who left welfare to go to work won't earn enough to receive benefits if they lose their jobs. Since the last hired are often the first fired, those brought on in the flush economy of the late 1990s are particularly vulnerable now.

Other nearby states, such as Kentucky, Indiana and Pennsylvania, have much lower earnings requirements. The high threshold helps explain why Ohio consistently has seen a lower proportion of its jobless receive benefits than in the nation as a whole.

The state also is among the most restrictive in granting benefits to those who leave work for compelling personal reasons, such as to care for a sick family member.

A proposal that would have remedied this last problem and boosted weekly benefits was turned down in the U.S. Senate this week. So far, the federal government hasn't acted to bolster unemployment **insurance** benefits as it has done in past recessions.

Yet some other states are moving forward on their own with needed improvements. California and Virginia have raised benefit levels, and the Wisconsin Legislature just approved an eight-week extension in benefits for those whose benefits run out after 26 weeks. Hawaii passed a benefit extension last year. And Washington state recently approved a program paying up to a year of benefits to many displaced workers who are getting skills training.

Ohio should take some of the same steps. We can begin by ensuring that low-wage workers have the same access to benefits that higher-paid workers do, and allowing anyone who works 20 hours a week for 20 weeks in a year to qualify.

That would not only provide vital support to unemployed job seekers, it would add purchasing power to the economy. A recent study for the U.S. Department of Labor found that each dollar of unemployment-**insurance** benefits boosts the nation's economic output by \$2.15, making unemployment benefits important for the whole community.

Ohio can afford to improve its unemployment-**insurance** benefits, which are financed by employer taxes, not the state budget. The state cut taxes more than most did during the 1990s boom. In fact, during the last three calendar years, tens of thousands of employers paid no unemployment taxes. Rates have begun to rise, but they have been below the national average and almost certainly remain so.

Ohio's reserve fund, which held \$1.88 billion as of the end of last year, has started to decline because more workers have been unemployed and receiving benefits. However, the Ohio Department of Job and Family Services has estimated that with a recession like that in the early '90s, the fund still would remain more than solvent, with nearly \$1 billion.

If optimists are right and the economy strengthens in the next few months, experts generally agree that unemployment will continue to rise until much later. That includes Montgomery County, where 34,702 people filed initial claims last year, up 62 percent from the year before.

Ohio needs to strengthen its unemployment-**insurance** system for those in immediate need and for the rest of us.