Ohio Unemployment Insurance Falling Short: New National Report Card Gives Ohio an "F"

A state-by-state unemployment insurance report card released today gives Ohio's system a failing grade.

Failing the Unemployed, produced nationally by the Economic Policy Institute, the Center on Budget and Policy Priorities and the National Employment Law Project, takes a detailed look at unemployment insurance in all 50 states and the District of Columbia, evaluating how each measures up in five critical areas: Eligibility requirements, benefit levels, tax equity, trust fund adequacy and recession preparedness. The report grades each state "pass" or "fail" overall, with those who flunk in more than three areas considered failing.

Ohio failed on eligibility requirements, employer taxes, solvency and preparedness for a recession, and is among the report's 23 failing states. It is also among only 8 states that failed in 4 or more of the 5 categories. Congress last week finally extended benefits for many workers across the nation rapidly exhausting them. As another result of the law, federal money will soon be flowing into state unemployment funds, giving Ohio a new opportunity to address several of its deficiencies.

The report also found that:

- Ohio is among only 8 states in the nation in which a minimum-wage worker employed 20 hours a week for an entire year does not qualify for benefits. Many part-timers who are unemployed can not receive benefits if they seek part-time work. The report notes that only 35.9 percent of unemployed women in Ohio received unemployment benefits last year, compared to 50.8 percent of unemployed men.

- Ohio has taxed employers less and reduced employer taxes more than the national average since 1994. This has produced a smaller trust fund less able than most to withstand the payouts that accompany high unemployment rates.

- Because, unlike some states, maximum benefits in Ohio are at least high enough to allow a family of three to live above the federal poverty level, the state passed on the benefits category. Yet, Ohio's benefit levels are by no means bountiful. A jobless worker with two dependents who had previously earned the state median wage would get only $256 a week in unemployment benefits—less than the poverty line.

- Ohio has not taken steps to deal with the recession, such as making extended benefits available to those running out, as Wisconsin, Hawaii and Oregon have done. The state also has not eliminated its week-long waiting period for workers prior to receiving benefits, nor does it extend benefits for jobless workers participating in approved training, as some other states do.

"Ohio and the country need to strengthen unemployment insurance so more low-wage workers and others who have been closed out can participate," said Zach Schiller, senior researcher at Policy Matters Ohio, the nonprofit research institute that released the report locally. An earlier Policy Matters report found similar problems in the Ohio unemployment insurance system, and the institute makes several policy recommendations to address the most urgent needs raised today:

- Use additional money soon to be transferred to Ohio and other states to first allow more workers to qualify for unemployment insurance. Ohio is likely to receive $343 million from a federal unemployment trust fund as part of the law just passed by Congress.

- Change Ohio's eligibility rules so that minimum-wage workers employed 20 hours a week for 20 weeks qualify for benefits.

- Permit unemployed part-time employees who previously worked at least 20 hours a week and are seeking similar part-time work to qualify.

The *Economic Policy Institute* is a non-partisan national research organization based in Washington.

The *Center on Budget and Policy Priorities* is a Washington-based non-partisan policy institute.

The *National Employment Law Project*, based in New York, is a non-profit organization, which litigates and makes policy recommendations on behalf of low-wage workers.