Policy Matters Ohio

Unemployment Compensation

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Time to rebound: Cutting unemployment weeks hurts job seekers, employers and communities

By Hannah Halbert

In Ohio the average duration of Unemployment Compensation (UC) benefits is just 14.6 weeks and a smaller share of recipients exhausts all their benefits than in 45 other states.[1] That shows that most UC recipients quickly move on to new jobs. But some struggle to find employment in an economy that still has fewer jobs than it had 16 years ago. This makes it crucial that unemployment last long enough for laid-off workers to find new positions. Cutting the maximum number of benefit weeks will weaken the positive role UC plays in our labor market and economy, and the change is unlikely to generate significantly more employment.

Technology, trade and global competition mean many workers cannot return to jobs in the same field or occupation. Many jobs require certification and skill documentation. Research shows that when workers exhaust their benefits, they are more likely to stop participating in the labor force and not get work.[2] Restricting maximum duration means more workers will reach this discouraging tipping point earlier in the unemployment timeline and will have no income to support themselves while they retrain for new opportunities. That is why House Bill 394, the controversial bill that would slash unemployment compensation in Ohio, puts us all at risk.

Under the proposal, the maximum duration of UC would be based on the state's unemployment rate in the preceding six months. Ohioans could claim between 12 and 20 weeks.[3] If the proposal were in place today, unemployed Ohioans would have just 12 weeks to find work. This would make Ohio's unemployment compensation system one of the weakest in the nation. Only five states (Florida, Georgia, Kansas, North Carolina, and very recently Idaho) have a scalable maximum, like that proposed for Ohio. A group of legislators currently reworking the bill could decide instead to move to a flat maximum of around 20 weeks. Only four states (Arkansas, Michigan, Missouri, and South Carolina) have set a flat maximum duration shorter than the national standard of 26 weeks. None of these states are considered solvent by the U.S. Department

[1] Bruce Madson, Assistant Director, Ohio Department of Job and Family Services, "Unemployment Compensation: Overview and Current Issues," Testimony to the Unemployment Compensation Reform Joint Committee, August 2016.

[2] *See*, Lawrence F. Katz, "Long-Term Unemployment in the Great Recession," Testimony for the Joint Economic Committee of U.S. Congress, April 2010. Katz notes that most compelling UC research finds only modest impacts of UC extensions on duration of employment and work search efforts. Research showing larger negative impacts was based on 1970s and 1980s data and did not consider how UC spending increases aggregate demand and labor demand during deep recessions or the benefit of keeping the long-term unemployed attached to the labor-market instead of moving to disability programs. David Card, Raj Chetty, and Andrea Weber, "The Spike at Benefit Exhaustion: Leaving the Unemployment System or Starting a New Job?" NBER working paper, August 2007, finding that UC recipients exiting near exhaustion are not necessarily leaving for a job.

[3] Construction workers would get a flat 20-week maximum under the current iteration of the bill.

of Labor.[4] Cutting weeks of coverage will not make the system solvent. What it will do is make it harder for some workers to get training or find new jobs before their families are pushed into deep crisis. Instead, we need a balanced approach that addresses our inadequate funding of UC.

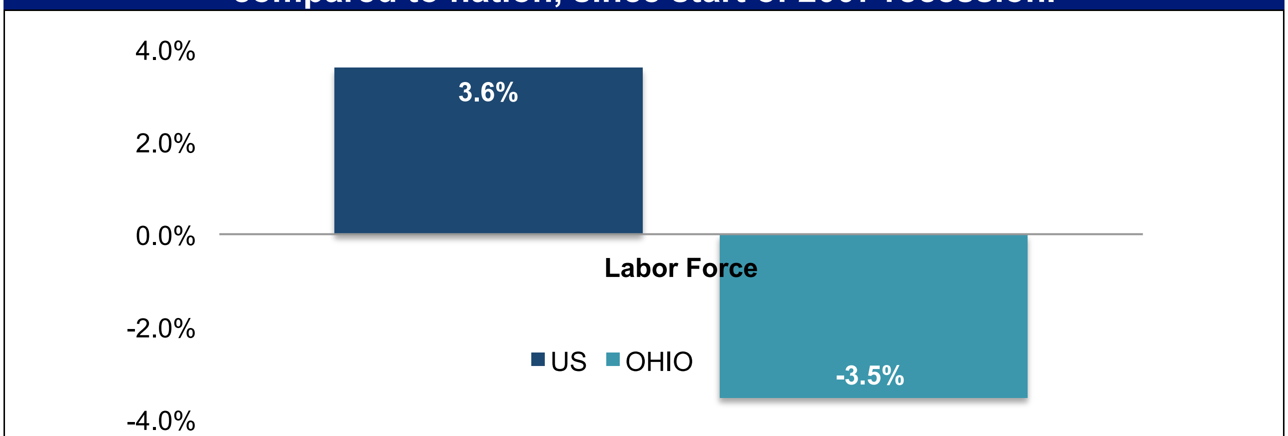
I. UC cuts do little for employment, but lead some to stop seeking work.

The Ohio proposal appears largely modeled on one in North Carolina. In 2013, that state adopted a sliding scale to set maximum duration, the result of which cut weeks from 26 to 12. They also cut the maximum weekly benefit from $530 to $350. The cuts, like those proposed in Ohio, were justified as necessary for solvency and to encourage UC claimants to get back to work. After these cuts were implemented, labor force participation sharply declined. The unemployment rate fell, but so did the share of people participating at all. Employment in the state was unaffected. One study said "the significant impact of North Carolina labor-force policy was to increase the number of workers who left the labor force, not to encourage those without jobs to become employed."[5]

Ohio's unemployment rate has fallen since the end of the 2007 recession, but Ohio has also seen declines in the share and number of people working or actively seeking work. Since the official start of the national recession, 211,000 Ohioans have left the labor force.[6] The unemployment rate has improved substantially. But some of that improvement is, in part, because Ohio's labor force has shrunk. These labor market trends are in opposition to the national averages. Figure 1 compares these changes. Ohio's low unemployment rate is masking deeper labor market challenges. Cutting UC maximum duration will likely exacerbate these challenges, not fix them.

Figure 1

Ohio's labor force struggles to recover:
Change in the share of Ohioans employed, or actively seeking employment compared to nation, since start of 2007 recession.



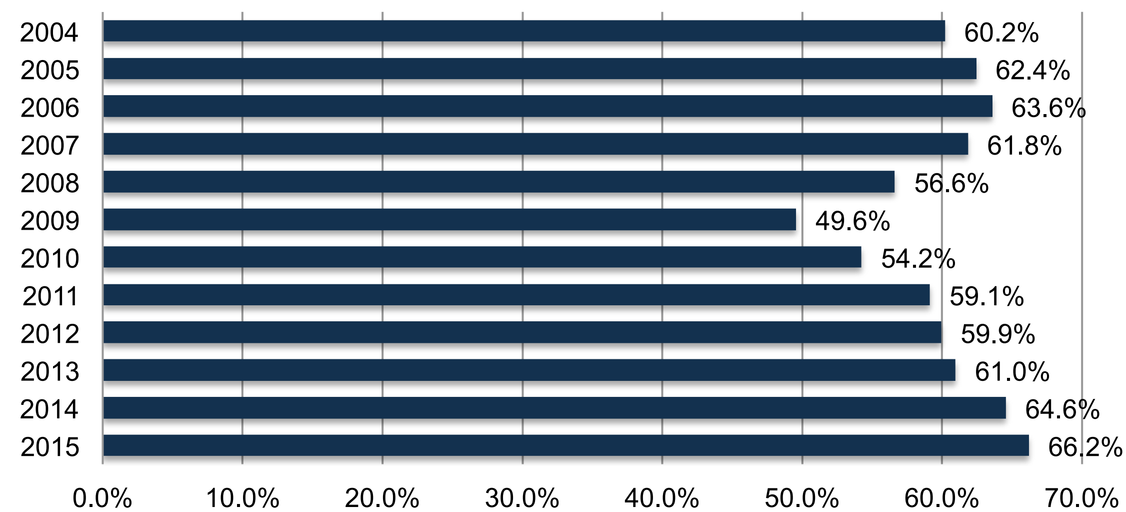
Source: Author calculation of labor force change, based on US Department of Labor, LAUS data. Change calculated from Dec. 2007 through August 2016, August 2016 data preliminary.

[4] Department of Labor, "*Trust Fund Solvency Report 2016*," February 2016, available at http://www.oui.doleta.gov/unemploy/solvency.asp, accessed July 11, 2016.
[5] Patrick Conway, "North Carolina's Employment Record: What role did Unemployment Insurance Reform play?" University of North Carolina at Chapel Hill, Department of Economics, December 2015.
[6] Policy Matters Ohio calculated figure based on data from the Local Area Unemployment Statistics program (LAUS), a federal-sate program that collects labor market data available at http://ohiolmi.com/laus/laus.htm. Time period referenced is the official start of the 2007 national recession, December 2007 through August 2016. August figure preliminary at time of publication.

The evidence from North Carolina shows that cutting weeks does not increase employment. Further, most Ohio UC claimants are already back to work and earning wages in the calendar quarter after filing their initial unemployment claim. In 2015, more than 66 percent of claimants had wages in the three months after receiving their first UC payment.[7] Adding in Ohio claimants who are exempt from work search requirements, like laid-off workers who are job attached with definite recall dates, who are seeking work through a union hiring hall, or who are enrolled in an approved training program, the reemployment rate is even higher at 68.6 percent. Ohio's relatively strong performance on this metric has been consistent, in all but the most challenging years of the 2007 recession and despite mediocre job growth.[8] Figure 2 shows the share of UC claimants, who are subject to UC work requirements, that receive a first payment in one calendar quarter and have wages in the following calendar quarter.

Figure 2

Majority of Ohio UC claimants get back to work:
Share of claimants with wages in calendar quarter following first UC payment



Source: U.S. Department of Labor, Unemployment Data Downloads, ETA report 9047, Reemployment of UI Benefit Recipients, at http://oui.doleta.gov/unemploy/DataDownloads.asp, accessed September 2, 2016. Share of claimants, who are not exempt from worksearch requirements, who have wages in the first quarter following the quarter in which they receive their initial claim.

II. Cutting weeks ignores continuing challenges, like 10 unemployed Ohioans for every 6 jobs posted.

Job posting data from online job ads available at OhioMeansJobs.com show that there were about 100 Ohioans looking for jobs in July for every 60 job postings.[9] This year, between June 14 and

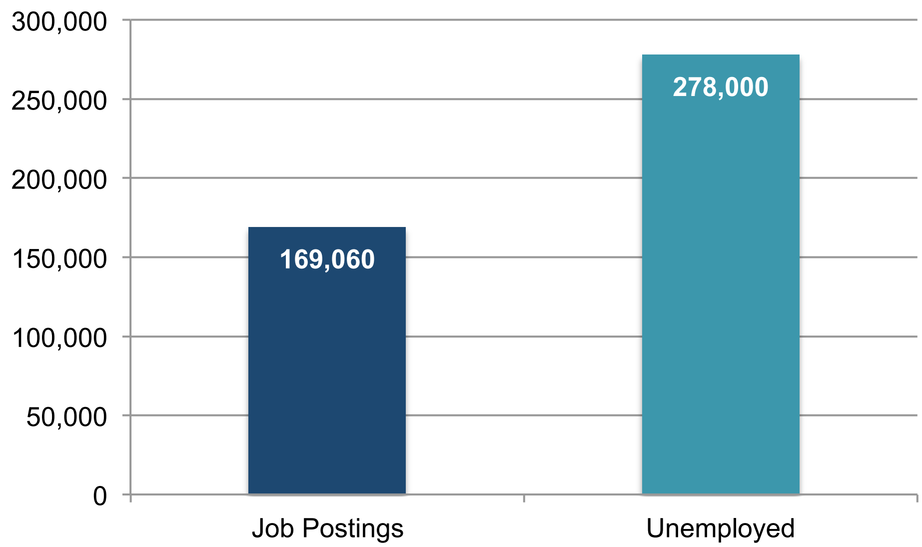
[7]U.S. Department of Labor, Unemployment Data Downloads, ETA report 9047, Reemployment of UI Benefit Recipients, available at http://oui.doleta.gov/unemploy/DataDownloads.asp, accessed July 22, 2016.
[8] Ohio has ranked relatively high among states on the share of claimants with wages in the first quarter following their initial claim. Ohio ranked 20th in 2010, 12th in 2011, 15th in 2012, 19th in 2013, 15th in 2014, and 10th in 2015. U.S. Department of Labor, Unemployment Data Downloads, ETA report 9047, Reemployment of UI Benefit Recipients, available at http://oui.doleta.gov/unemploy/DataDownloads.asp, accessed July 22, 2016.
[9] OhioMeansJobs.com, Job Posting Trends, July 2016, from the Conference Board Help Wanted OnLine Series, Posting data produced using "real-time" information for June 14, 2016-July 13,206, available at http://omj.ohio.gov/omjresources/jobpostingstrends.stm, accessed August 29, 2016.

July 13, the state reported that there were 169,060 online job openings in Ohio. That represented a decrease over the prior month's report, and a substantial decrease of 31,874 ads from the same time period in 2015, meaning there are far fewer opportunities this year than last and significantly fewer than the peak of 240,000 ads, which occurred between October and November of 2015.

Unemployment data from a survey of households show that for a roughly comparable period, July 2016, there were 278,000 officially unemployed Ohioans and an official jobless rate of 4.8 percent. This means that if all job postings were filled there would still be a substantial number of Ohioans without work. Figure 3 depicts this opportunity gap.

Figure 3

More Job Seekers than Openings in Ohio:
Number of online job postings compared to the number of officially unemployed Ohioans, July 2016.



Source: Job posting data from the Conference Board Help Wanted OnLine data series available at http://ohiolmi.com/asp/omj/HW_REPORTS.ASP, accessed June 15, 2016. Posting data produced using "real-time" information for March 14, 2016-April 13,206. Unemployment data from Civilian Labor Force Estimates (LAUS), unadjusted, for March 2016, available at http://ohiolmi.com/asp/laus/vbLaus.htm.

Even though Ohio is back to the number of jobs it had when the national recession officially began in December 2007, Ohio still needs 66,100 jobs to get back the employment to population ratio we had before the recession.[10] The unemployment rate masks this underlying weakness and does not show how many workers are discouraged or working part-time because they cannot find full-time work. Adding in those Ohioans who are employed part-time because they cannot find full-time work, Ohio's underemployment rate would reach 9.5 percent.[11] Cutting the number of weeks ignores the complexities of the labor market and will likely drive more workers out of the labor force rather than speed reemployment.

[10] Ohio Job Deficit from the Economic Policy Institute based on CES data from the BLS, comparing jobs to population growth as of July 2016.

[11] U.S. Bureau of Labor Statistics, Alternative Measures of Labor Underutilization for States, Third Quarter of 2015-Second Quarter 2016, July, 29, 2016, available at http://www.bls.gov/lau/stalt.htm, accessed August 29, 2016, most recent available and close to time period evaluated in this report.

III. Areas of low opportunity are disproportionately harmed by cutting weeks.

While average UC duration is less than 15 weeks in Ohio, some regions and communities have longer averages because opportunity is scarce. These areas have few openings or only have positions that require certifications and training that not all workers have. This is because technology and trade have changed where the jobs are. The loss of spending stabilization from UC benefits in these communities will make it harder for businesses dependent on family spending to survive a downturn, whether a recession or a local mass layoff. Research shows that each dollar of UC benefits paid adds $1.61 to Gross Domestic Product.[12] Cutting maximum duration will mean these workers and the communities they live in have fewer supports to make this transition. All stakeholders should agree that the location of an employer or worker should not lead to such a disparate impact, yet HB 394's limits on UC weeks will do just that.[13] Figure 4, on the following page, shows the regional gaps between job postings and the officially unemployed.

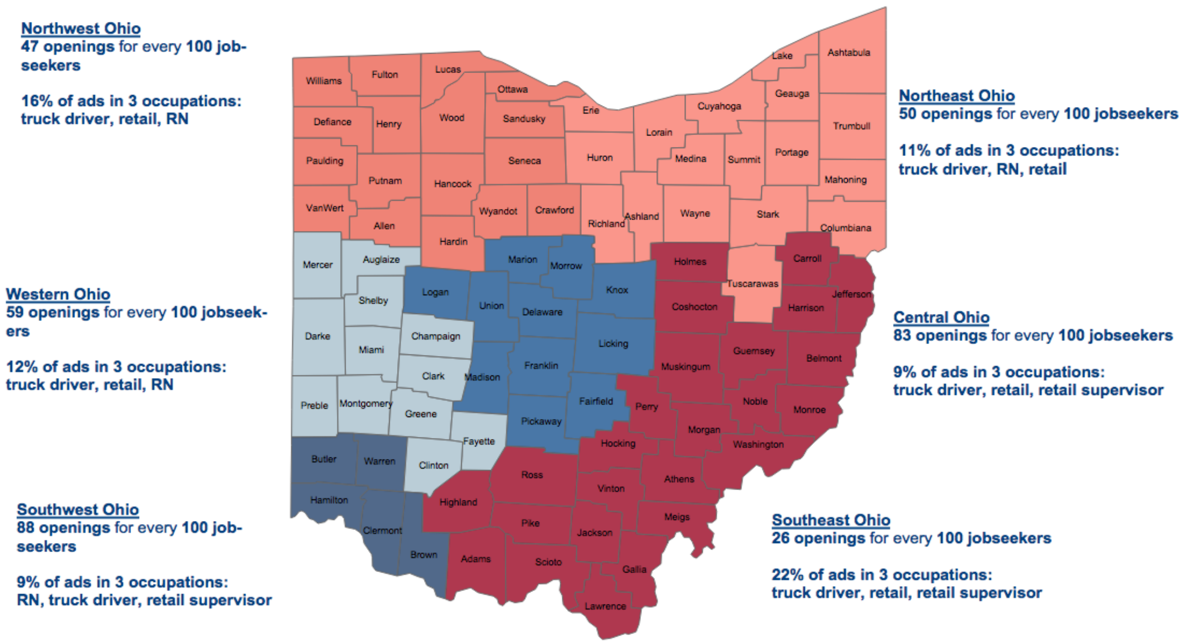
[12] Blinder, Alan S. and Mark Zandi, "The Financial Crisis: Lessons for the Next One," Center on Budget and Policy Priorities, October 2015, available at http://www.cbpp.org/research/economy/the-financial-crisis-lessons-for-the-next-one, accessed August 29, 2016.

[13] The sliding scale proposed in HB 394, which is triggered by the state unemployment rate, is a particularly poor way to set limits and would exacerbate the disparities noted in Figure 4. A map showing how the sliding scale would jeopardize stability in Appalachia and industrial centers is included, *see* Appendix A. Fifty-four counties would have a maximum duration above the 12-week limit generated by the proposed scale and thirty-two would have 15 or more weeks—yet under HB 394, jobless workers in all counties currently would be limited to 12 weeks of benefits.

Figure 4

Many Job Seekers, few opportunities:

Comparing job openings and unemployment, by region, includes top occupations as share of all openings.



Source: Job posting data from the Conference Board Help Wanted OnLine data series at http://ohiolmi.com/asp/omj/HW_REPORTS.ASP, accessed August 29, 2016. Posting data produced using "real-time" information from June 14-July 13,206. Unemployment data from Civilian Labor Force Estimates (LAUS), unadjusted, for July 2016, at http://ohiolmi.com/asp/laus/vbLaus.htm. Darker blue represents areas with greater parity between job seekers and openings. Range is from 26% to 88% coverage.

Perhaps not surprisingly, the area with the largest gap between job openings and job seekers is Southeast Ohio, where there are only 26 openings for every 100 job seekers. Northwest (47 per 100), Northeast (50 per 100), and West (59 per 100) Ohio had slightly more opportunities. Central (83 per 100) and Southwest Ohio (88 per 100) had the greatest parity between the number of people counted as unemployed and the number of new opportunities.

Also noted in Figure 4 is the share of ads that are in the top occupations for the region. In some regions, the job postings are not diverse. Southeast Ohio has the fewest job ads and the least diversity in occupations, with 22 percent of all ads being for truckers, retail workers, and retail supervisors. While this may say more about the quality of the job board rather than the actual economy of the region, it does suggest that unemployed workers in the region may need to retrain or relocate to find work and wages that can support a family.

IV. Older workers often need more time to find employment and are more likely to claim UC in the post-recession economy.

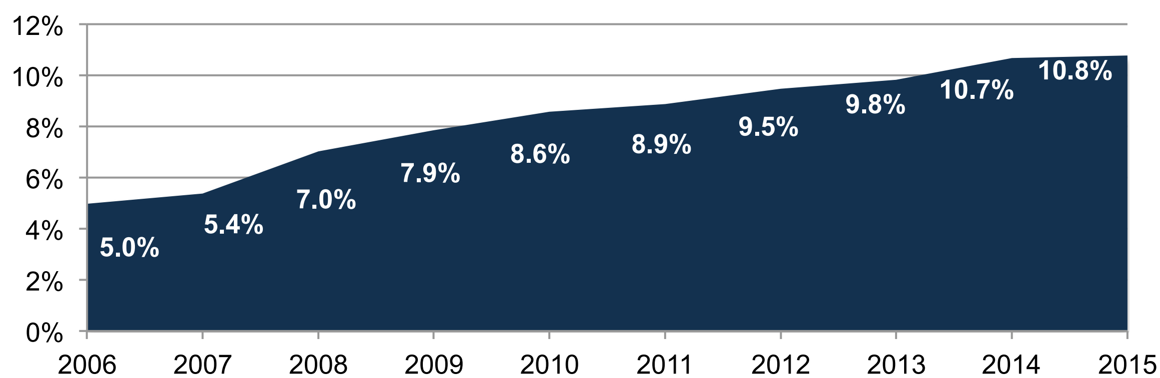
Older workers face additional barriers to reemployment. Age discrimination is a real obstacle, particularly if reemployment requires job training.[14] Research has shown that when workers in their late 50s or early 60s lose their jobs it has long-term consequences, not just on reemployment but on health and even longevity.[15] Those consequences are reduced for workers over the age of 62 because Social Security acts as a "buffer" against income and health insurance loss. The cuts proposed in HB 394 would mean these workers have less support while dealing with age discrimination. The proposal to implement a Social Security offset would leave more unemployed Ohioans exposed to these consequences.[16]

Unemployment isn't a choice for these older workers. The share of Ohio UC claimants who are over age 60 has grown over the recovery. While more older Ohioans were unemployed in 2006, the share of UC claimants over the age of 60 in 2015 was more than double (10.8 percent) its share in 2006 (5.0 percent). Figure 5 shows this change.

Figure 5

Cutting weeks harms older workers

Older workers are a growing share of Ohio UC claimants



Source: Department of Labor, UC reports, Report ar203. Percent of UC claimants that are over age 60, by year.

V. Nearly 70,000 Ohioans claimed more than 20 weeks in UC last year. Cutting weeks will disconnect those most in need of help from reemployment assistance.

Job loss, mass layoffs, and recessions can alter the industrial composition of a region. Some jobs vanish and workers then need to retrain to compete for emerging industries. Twenty-six weeks of UC, the national standard since 1968, gives job seekers time to come to terms with the job loss,

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[14] Lawrence H. Leith, "What happens when older workers experience unemployment?" Bureau of Labor Statistics, October 2014, available at http://www.bls.gov/opub/mlr/2014/beyond-bls/what-happens-when-older-workers-experience-unemployment.htm.

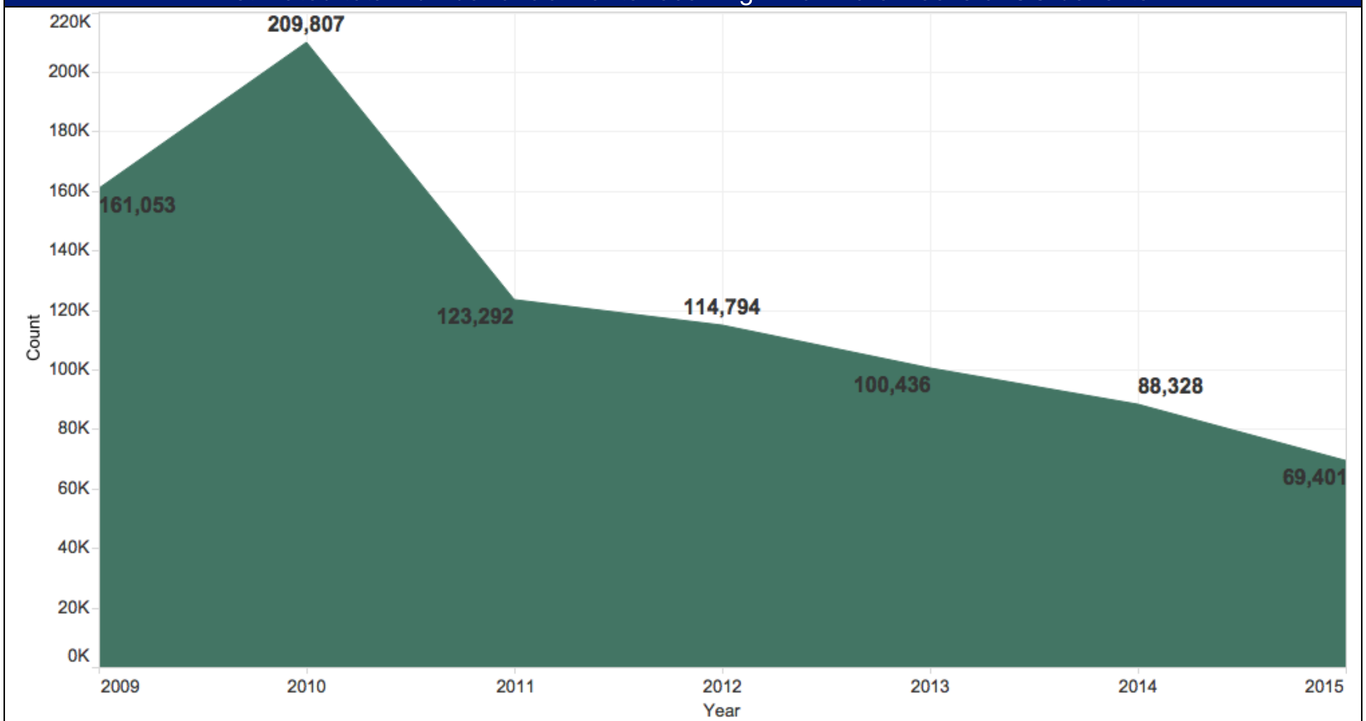
[15] *Id.* summarizing research by Courtney C. Colie, Phillip B. Levine, and Robin McKnight, "Recessions, older workers, and longevity: how long are recessions good for your health?" American Economic Journal: Economic Policy, August 2014.

[16] *See,* Hannah Halbert, "Unemployment bill especially harsh to older workers," Policy Matters Ohio, December 2015, at http://www.policymattersohio.org/blogpost-ucbill-dec2015. The current version of HB 394 would reduce a claimant's UC benefit by 50 percent of the amount they receive as Social Security retirement during the claim week.

assess opportunities, and engage in education and training.[17] Time is critical in this transition. Ohio recently increased UC work search requirements. These new requirements apply to claimants filing for their 8th week of benefits. The Ohio Department of Job and Family Services targeted the 8th week because agency workers found that those filing beyond eight weeks may need extra help to find work. Even though Ohio had the 5th lowest exhaustion rate in the nation last year, many Ohioans are in labor markets that require transition time.[18] In total, an estimated 69,401 Ohioans claimed more than 20 weeks in UC benefits in 2015. Figure 6 shows how the number of Ohioans claiming more than 20 weeks has steadily fallen since the recent peak of an estimated 209,807 in 2010.[19]

Figure 6

Number of claimants receiving more than 20 weeks of UC benefits is falling
Estimated total number of claimants receiving 21 or more weeks of UC benefits



Source: Author's calculation based on data from ODJFS. Number of claimants receiving 21 to 26 weeks of benefits, by year.

Cutting weeks will put tens of thousands of Ohioans and their families in financial jeopardy. It is important to remember that UC claimants must connect to the reemployment resources at their OhioMeansJobs Center and be able, available and seeking work to continue to claim benefits. Disconnecting struggling job seekers from reemployment services early in their claim year will not

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[17] National Employment Law Project, "*Why every state should pay 26 weeks of UI benefits,"* October 2015, available at http://www.nelp.org/publication/unemployment-insurance-policy-advocates-toolkit-2015/.
[18] Exhaustion rate from Bruce Madson, *supra* at note 1, slide 44 ranking based on 2015 rate.
[19] ODJFS calculated the number of recipients who received 21 or more weeks of benefits last year based on estimates from the Ohio Department of Job & Family Services (email from Dan Fitzpatrick, Apr. 21, 2016). To arrive at the estimate, we divided the total amount paid to each claimant who received benefits by their weekly benefit amount. Partial weeks of benefits and reductions due to deductible income were not taken into account. Each claim was counted in the benefit year in which it ended.

lead to better labor market matching. This approach has not increased employment in North Carolina. What it has done is increased labor market dropouts.

VI. Ohioans prefer to work. Improving reemployment services can reduce duration without harming communities.

Over-reliance on benefits is not the cause of Ohio's solvency problems. Ohio's overall benefit costs as a share of wages have been below the national average for the last five years.[20] Our average weekly benefit is $342, an amount so low it puts a family of three well below the official poverty line.[21] Ohio has very low rates of recipiency (just 24 percent of unemployed Ohioans receive benefits, 33rd among states) and duration (average of 14.6 weeks). This means that smaller shares of unemployed Ohio receive benefits than do nationally, and of those that do, on average, they find work about one week faster than workers across the nation. The idea that Ohioans prefer UC benefits to work is a myth, as ODJFS Assistant Director Bruce Madson has testified.

The problem with UC solvency is on the other side of the balance sheet. Ohio has prioritized keeping employer taxes low over making the system strong and solvent. According to ODJFS testimony, Ohio's average UC tax rate on wages (0.59 percent) is lower than the national average (0.74 percent), making Ohio's state UC taxes the 14th lowest in the nation.[22] Employer taxes have been lower than the national average for 18 of the last 20 years.[23] HB 394 would give employers another huge tax break. The Legislative Service Commission's bill analysis showed that employers would get an average annual tax cut of $313 million and that the trust fund would not achieve solvency, even if we avoid recession, by the year 2025. Working people would pay for the cut by forgoing an average of $475 million a year in unemployment benefits, money that goes directly into the economy to pay basic household expenses. Cutting weeks to preserve or further cut already low tax rates as HB 394 does is an unbalanced proposal likely to make Ohio's economy less resilient the next recession.

Ohio can reduce duration by investing in retraining and reemployment

Concerns that 26 weeks of UC are enticing large numbers of unemployed Ohioans to avoid work are unfounded. Being unemployed is rarely a choice. Rather than spurring more rapid reemployment, cuts are likely to draw people out of the labor force and take money out of struggling communities. Ohio has a reemployment system designed to find jobs for those likely to exhaust their UC benefits. If the state wants to boost reemployment, modernizing that system would be a real step forward. Here are two recommendations:

1. Support existing reemployment services

Ohio has a full slate of reemployment services, some of which are mandatory for nearly all UC claimants. In addition to these Ohio-specific rules in HB 2, discussed below, the federal government requires that the state identify claimants likely to exhaust their benefits. This "Worker Profiling" program requires participation in additional reemployment services, such as orientation,

[20] *See*, Zach Schiller, Testimony: Unemployment bill should be spiked, Policy Matters Ohio, Dec. 2015 available at http://www.policymattersohio.org/testimony-unemployment-dec2015, accessed July 11, 2016.

[21] Federal poverty level for a family of three in 2016 is $20,160. Than average benefit annualized is only $17,784. *See*, Healthcare.gov at https://www.healthcare.gov/glossary/federal-poverty-level-FPL/, from additional information about the federal poverty level. Average weekly benefit from ODJFS presentation, *supra* note 1.

[22] Bruce Madson, *supra* note 1.

[23] U.S. Department of Labor*, Employment and Training Administration, ET Financial Data Handbook at http://www.oui.doleta.gov/unemploy/hb394.asp* and data provided to Policy Matters by the U.S. Department of Labor.

assessments, job search counseling and workshops, resumé assistance, or education and training, as a condition of eligibility. In 2015, most such claimants received job placement assistance.

A second recently authorized federal program, the Reemployment Services and Eligibility Assessment program (RESEA) starts this year. Ohio has not yet issued guidance, but the program will include staff-assisted reemployment services, development of a reemployment plan, and a review for eligibility compliance. Participants will be selected by the 5th week of their claim and participation is mandatory. Claimants must take part in the activities to remain eligible for benefits. The new RESEA program will also require longer-term follow-up and tracking of participants so policy makers will have more data on the impact of Ohio's reemployment and UC service system.

Ultimately, we need a UC system that encourages labor force attachment and creates pathways to education and training, not one that cuts short the path to stability. Research has shown that investments in reemployment services shorten the time workers spend on unemployment, and lower the cost of hiring for employers.[24] A controlled study in Nevada demonstrated that services which included an assessment early in the claim period and individualized re-employment services, such as resumé development and work-search strategies, reduced average UC duration by 3.5 weeks and reduced average benefits to each participant by $877.[25] Participants also earned more when they went back to work. The Nevada study tested a model similar to the RESEA model Ohio is now implementing. These services can help workers get reemployed faster, shrinking the time jobseekers need UC without jeopardizing the strength of the system through arbitrary reductions in maximum duration. Additional funding to administer these services, including funds to support agency staff development and information technology capacity would help the system better target, serve, and measure the impact of these programs. Cutting weeks will only cut access to services that have proven returns to employers, jobseekers, and the overall UC system.

2. Build stronger connections between UC reemployment services and the workforce development system.

Improving connections to education and training would help jobseekers align their skills with the demands of the local labor market. Job posting analytics suggest that many jobs require additional credentials. The top occupations posting ads in Ohio are truck drivers and RNs. Yet, a very small share of UC recipients is referred to the workforce development system (Workforce Innovation and Opportunity Act, WIOA) for training.[26] Most training and education programs for in-demand skills take longer than the 26 weeks provided by UC and UC do not offer additional allowances or weeks for education, training, or relocation.[27] It is tough for a jobseeker to secure approval to enter training, a training provider, and an additional source of funding to cover the training within the existing 26 weeks, much less within 20 or 12 weeks.

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[24] *Id.*

[25] *Id.*

[26] Between April 2014 and March 2015, 7,231 adults exited Ohio's WIOA system; only 7.5 percent of those exiting adults were UC claimants and 3.4 percent were exhausters. As expected, a higher share of the 2,935 exiting the dislocated worker program were UC claimants (65 percent) but overall, a very small number of people on UC are being referred to the WIOA system for broader reemployment services that include education and training. For context, nearly 200,000 Ohioans received UC benefits in calendar year 2015. *See,* Social Policy Research Associates, "PY 2013 WIASRD Data Book," Ohio, Table 11-7, March 2015.

[27] Center for American Progress, "Strengthening Unemployment Protections in America," June 2016, available at https://www.americanprogress.org/issues/poverty/report/2016/06/16/138492/strengthening-unemployment-protections-in-america/, accessed July 11, 2016.

Ohio's reemployment services mostly focus on OhioMeansJobs.com and the work search requirements in HB 2. HB 2, enacted in 2013, requires claimants to post a resumé on the state jobs board, OhioMeansJobs.com, by their 8th claim week, and complete a "Career Profile" aptitude and interest assessment by their 20th week. These requirements cover all claimants except those specifically waived or exempt. UC benefits are withheld until the claimants complete these tasks. HB 2 may help some jobseekers who have computer access and high computer literacy identify new career paths, but many will need staff help and financial assistance to make a transition. Connections between UC, WIOA, and training should be prioritized.

Many have called for broader UC, Employment Services, and WIOA reforms, such as providing workers in a full-time, qualifying education or training program with additional weeks of benefits and permitting a portion of workforce funding to be used as relocation allowances and needs-related payments to prevent eviction or foreclosure. Further requiring re-reemployment services to connect claimants to or provide work supports like childcare and transportation would help participants obtain skills and credentials.[28] Fully implementing these strategies would require increased federal investment. However, Ohio could do more now to support better connections between claimants and the WIOA system, particularly for those likely to exhaust their benefits.

Very few claimants who are identified as likely to exhaust benefits are connecting to education and training. According to ODJFS data filed with the Department of Labor, a paltry 16 claimants in the Reemployment Eligibility Assessment (REA) program reported to training last year. This program is designed to bring UC claimants into the One-Stop Career Centers, known as OhioMeansJobs Centers in Ohio, for individualized assessment and referrals. The vast majority of REA participants, more than 15,000 reported to reemployment services. Whether this is an accurate reflection of Ohio's programs or the result of preliminary data or poor data entry, it suggests that retraining is a low priority. We need to improve how we connect displaced workers to programs that help them gain in-demand skills and how we track our progress. These strategies could further reduce Ohio's already low average duration while addressing the skill needs of business.

Conclusion

In short, we know how to help people get back to work more quickly and permanently. Doing so requires more meaningful investment in retraining and re-employment. Arbitrarily slashing benefit weeks to make our unemployment compensation program among the stingiest in the country will do little to speed the path to, or increase employment, and it won't make the fund solvent. What it will do is cause downward spirals in our community as workers are more quickly driven to poverty. Unemployment compensation provides the most basic benefits to workers who lose their job through no fault of their own. It lets these workers keep the rent paid and the lights on for a short time, while they find a new position. Letting workers get real help with retraining and re-employment will do more to increase solvency while maintaining the shared benefits and important economic protections provided by unemployment compensation.

Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.

[28] *Id.*