

UNEMPLOYMENT INSURANCE IS AN ESSENTIAL LIFELINE FOR WORKERS, FAMILIES, AND THE ECONOMY

Unemployment insurance (UI) benefits have served as a [crucial lifeline](#) for millions of workers and families throughout the pandemic. The emergency boosts to UI during the pandemic – \$600 a week until July 31st of last year, and now \$300 – have been especially critical since UI benefits in many states only cover [a fraction](#) of a worker's lost wages.

UI benefits put more money in peoples' pockets, which in turn powers consumer spending, generating growth that reverberates throughout the economy. **Enhanced UI benefits are an essential part of a healthy recovery that centers workers and local communities and should continue until we are on stronger economic footing.**

Conservatives are [again](#) resurfacing the false narrative that these benefits disincentivize recipients from returning to work, all while denying the same workers the support they *actually* need to get back to work, like a robust care infrastructure, safe workplaces, and living wages. We can't let them get away with it.

The evidence is clear: unemployment insurance benefits do not disincentivize work.

- There is no evidence that the enhanced unemployment benefits slow hiring. A [recent study](#) found that the U.S. labor market didn't see big increases in employment after the \$600 emergency boost to UI expired.
- In fact, studies on the impact of the \$600 boost to UI from the CARES Act found that increased benefits did not lead to employers having greater difficulty [filling job openings](#).
- Conservative claims are demonstrably false: As this past month's jobs report [shows](#), the sectors that saw the largest employment increases were disproportionately lower-wage sectors. In other words, the workers who would get the largest boost from UI as a share of their wages were the ones returning to work. If the enhanced UI were disincentivizing work, lower-wage industries [would show slower job growth](#).

Unemployment Insurance is a lifeline for millions of workers and families in this pandemic. If people don't have something to fall back on—especially during times of economic crisis—we all suffer.

- Research shows that states with more generous unemployment insurance at the beginning of the pandemic experienced [milder labor market declines and had faster economic rebounds](#).
- [UI recipients more intensely search for work](#) and are more likely to [stay attached to the labor market](#), which strengthens the economy for all of us.
- Longer duration UI benefits and higher wage replacement rates allow workers to find work that is a better match, driving higher wages and increased productivity. In the last two recessions, workers who lived in states where they were able to access unemployment benefits for longer found [higher-wage jobs](#) better suited to their qualifications. This effect was especially large for women, people of color, and people with lower levels of education.

Enhanced UI benefits disproportionately support Black and brown workers who have historically been left behind in recoveries. Ensuring these workers are supported during times of crisis supports a growing, healthy economy.

- Workers of color have experienced larger job losses and less hiring than white workers since the beginning of the pandemic and are disproportionately experiencing unemployment. At the same time, Black workers are more likely to have UI applications rejected, are concentrated in states with stingier UI, and receive lower benefits than their white counterparts. Cutting UI when workers of color continue to face elevated, and in some cases, double-digit unemployment rates are not just cruel but bad for the economy writ large.
- While workers of color are less likely to access UI benefits, their spending patterns tend to be more sensitive to changes in pay. In other words—in addition to helping keep themselves and their families afloat—the stimulative effect of UI is greater for workers of color than their white counterparts, helping the economy more as a whole.
- Persistent wealth gaps fueled by systemic racism already mean that Black and brown households are less equipped to weather a major personal financial crisis, making UI particularly important for these populations.

Our economy works best when we put workers, families, and communities at the center of it. That's why it's critical that we maintain enhanced unemployment benefits for as long as it takes: until we have an economy that works for everyone, especially the Black and brown workers who have historically been left behind.

