



# Union Unemployment Insurance Navigators Would Be a Boon to Jobless Workers

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# Contents

- 1 Introduction and summary**
- 4 Long-standing problems for jobless workers seeking unemployment benefits**
- 7 Union navigator and related programs work well in other areas**
- 10 Worker organization navigators could help UI systems work better**
- 13 Policy recommendations**
- 15 Conclusion**
- 15 About the authors**
- 16 Endnotes**

# Introduction and summary

Unions have helped workers during the COVID-19 pandemic in a number of ways, including by improving safety procedures for grocery store workers,<sup>1</sup> securing paid leave for postal service workers,<sup>2</sup> and lifting pay for some essential workers.<sup>3</sup> They have even helped jobless Americans sign up for state unemployment benefits, which is far too often a daunting process.<sup>4</sup>

Unfortunately, during the COVID-19 recession, many unemployed workers faced difficulties accessing unemployment benefits—a long-standing problem for the U.S. unemployment insurance (UI) system even before the pandemic. Over the past several decades, only about one-third of all jobless workers received unemployment benefits, many because of restrictive eligibility requirements, but many others because of a lack of program awareness and the hurdles involved in applying for benefits.<sup>5</sup> Indeed, some studies suggest that only about half of jobless workers eligible for unemployment insurance receive benefits.<sup>6</sup>

Low recipiency rates—the share of jobless workers receiving benefits—harm millions of unemployed workers who miss out on the benefits they need to pay for rent, groceries, and other necessities. Moreover, historically marginalized workers, including Black and Hispanic workers and those with less education, are less likely to receive benefits, suggesting that the people most in need of benefits are not getting them.<sup>7</sup> Low recipiency rates also harm the overall economy since the unemployment insurance system is intended to act as an automatic stabilizer and help even out consumer purchasing so that job losses do not undermine economic demand—a task that is undercut if only a small share of workers receive benefits.

Increasing the share of jobless workers receiving unemployment benefits will require numerous reforms. Indeed, the need to adequately fund and staff UI agencies and address dated computer systems is glaring. So too is the need to reform restrictive eligibility rules that block access to benefits for too many workers. It is necessary to significantly increase funding for administration of the program and reform overly restrictive eligibility rules in order to ensure that the UI system works well.

An important reform to the UI system that deserves additional attention is the funding of organizations such as unions and worker centers—nonprofit community groups that advocate for low-income workers—to help the unemployed navigate through the process of receiving unemployment benefits and getting another job.<sup>8</sup> Navigator programs tasked with assisting workers in this process can address some of the barriers to workers receiving unemployment insurance—for example, lack of information about program eligibility, limited English language proficiency, and wariness of the application process.

Supporting worker organizations to act as unemployment insurance navigators would help increase reciprocity rates primarily by improving take-up rates—the share of eligible workers receiving benefits—but also by helping make more workers meet eligibility requirements. Unions and worker centers have a proven track record of representing the interests of workers and have helped many workers navigate through the complex process of receiving benefits—including knowing the law, understanding forms, and working with government websites, systems, and employees—for a range of public programs, such as unemployment insurance, workers’ compensation, and health care. Research finds that when workers are part of a union, they are more likely to receive UI benefits.<sup>9</sup> This is particularly true for less educated workers and Black and Hispanic workers, who, when unionized, are able to access unemployment benefits at similar rates to those of their more advantaged counterparts.<sup>10</sup>

Navigators can also help push for more systemic improvements, including adequate staffing of government UI agencies to handle demand. Navigator programs, however, are not a substitute for properly resourced public agencies. Rather, good navigator programs complement public workers and public systems and can help create a virtuous circle by fostering the organized support necessary to adequately fund the UI system.

The experiences of the United States, as well as other countries, with navigator and similar programs—discussed in more detail below—have been quite positive for both the public and for worker organizations. Results include better-quality public services and improved access, as well as increased membership for unions.<sup>11</sup>

Because the unemployment insurance system is a joint federal-state program, policymakers at both the federal and state level can take actions to create navigator programs. Specifically, state and federal policymakers can ensure that the unemployment insurance system provides funding for navigators, defines eligibility rules for them, clarifies their duties, and facilitates their interactions with the unemployment insurance system, as well as reemployment and job training programs.

# Long-standing problems for jobless workers seeking unemployment benefits

The share of unemployed workers who receive UI benefits is an important measure of how well the program is operating and has implications for the country's economic well-being.<sup>12</sup> Unemployment benefits ensure that workers who have lost their jobs are still able to make ends meet and provide an important economic stimulus during recessions; moreover, their use helps governments to better measure and understand broader economic trends.<sup>13</sup> It is also worth noting that UI is a form of social insurance that workers pay for indirectly. Although employers generally pay the taxes for the insurance program, these costs can lead them to lower wages for some workers,<sup>14</sup> suggesting that when the jobless do not receive benefits, it is their own money they are not getting.

Yet in the United States, the majority of unemployed workers do not collect unemployment insurance.<sup>15</sup> Over recent years, about 40 percent of jobless workers applied for unemployment insurance benefits, while less than 30 percent received them—and government data released in 2019 suggest even smaller percentages.<sup>16</sup> Historically marginalized groups, such as workers of color and those with less education, have even lower rates of access.<sup>17</sup>

An analysis of the 2018 Current Population Survey (CPS) UI supplement by researchers Alexander Hertel-Fernandez and Alix Gould-Werth found that Black and Hispanic unemployed workers are significantly less likely than white workers to apply for benefits, and those who do apply are less likely to receive benefits.<sup>18</sup> The same is true of workers with lower levels of education: The study found that only 20 percent of jobless workers with a high school degree or less applied for benefits, and just 12 percent received them. For comparison, among jobless workers with a college degree or more, 35 percent applied for and 26 percent received benefits. Data suggest that disparities in application and reciprocity rates have persisted during the coronavirus crisis.<sup>19</sup> Receipt of UI benefits is also low among low-wage and part-time workers, according to a report by the U.S. Government Accountability Office.<sup>20</sup>



These trends are concerning because they suggest that the people most in need of benefits are not getting them. Indeed, just 6 percent of the jobless say that they avoided applying for benefits because they did not need the money.<sup>21</sup>

Some of these access problems are due to restrictive eligibility rules, as states often impose a variety of restrictions that intentionally make it difficult for people to qualify for benefits.<sup>22</sup> Access problems also flow from historical exclusions of occupations, such as farm work, that were held predominantly by people of color.<sup>23</sup> These unnecessary and overly complicated restrictions on eligibility must be addressed.

Still, even among eligible workers, UI is significantly underutilized. Researchers estimated that in 2012, only two-thirds of people who were eligible for unemployment insurance benefits received them.<sup>24</sup>

Part of the access problem is due to inadequate resources to properly staff the UI administration and update computer systems. Indeed, federal base funding to cover administration of the UI system has declined significantly over recent decades.<sup>25</sup> As a 2015 report by the National Employment Law Project explained: “For decades, Congress has neglected to adjust state UI administrative funding for inflation, employment growth, or the need for continuing capital investments such as information technology infrastructure upgrades.”<sup>26</sup> The COVID-19 recession highlighted these long-standing problems; UI applications soared at a time when state UI programs were at historically low levels of funding, understaffed, and reliant on dated computer systems, causing many state UI systems to be overwhelmed by the volume of requests.<sup>27</sup> Capacity problems need to be fixed, such as by providing adequate resources for UI staffing and technology.<sup>28</sup> Similarly, efforts to privatize the administration of UI and related programs should be rejected.<sup>29</sup>

It is necessary both to increase funding for the public administration of UI and to reform restrictive eligibility rules. But more needs to be done. Low take-up rates have also occurred over recent decades in significant part because many people need help understanding UI benefits and eligibility rules as well as completing applications.

A 2018 analysis from the U.S. Bureau of Labor Statistics identified eligibility misperceptions as one of the main reasons that individuals reported not applying.<sup>30</sup> Moreover, workers who do attempt to apply often face complex rules

and burdensome application processes.<sup>31</sup> Applicants with lower levels of literacy or who speak English as a second language may confront additional barriers.<sup>32</sup> In other words, it can be a significant investment of time and effort for the jobless to try to learn the UI system—a system that many hope to need only for a short while. In addition, others may feel pressured by former employers not to apply.<sup>33</sup> Taken together, the result is a serious asymmetry of information for workers.

These factors point to the need for a navigator program to help the unemployed through the process of receiving public benefits.



# Union navigator and related programs work well in other areas

Navigator programs, as well as related programs with strong union and worker center involvement, have been successful in improving access to public benefits. The Affordable Care Act (ACA), for example, established navigator programs to help consumers understand basic health insurance terms and apply for coverage and financial assistance through the marketplaces.<sup>34</sup> Millions of consumers benefit from these assistance programs every year, according to a report by the Kaiser Family Foundation.<sup>35</sup> Another study found that receiving help with enrollment from a navigator is the strongest predictor of enrollment in Medicaid or marketplace coverage.<sup>36</sup> Navigator programs have also been successful in helping individuals submit applications for the Supplemental Nutrition Assistance Program (SNAP)<sup>37</sup> and connecting community college students to benefits, thus encouraging degree persistence.<sup>38</sup>

Unions have played a role in the success of these navigator programs. In California, for example, unions helped raise awareness of the ACA and assisted with benefits sign-up for tens of thousands of people.<sup>39</sup>

Other programs that involve unions and worker centers in benefits delivery and navigation have also had positive results. For example, worker centers work closely with New York's Black Car Fund to ensure that independent contractor limo and delivery drivers have access to workers' compensation benefits as well as additional benefits, such as vision, telemedicine, and assistance in applying for Medicaid health insurance.<sup>40</sup> In Oregon, the state Department of Administrative Services is partnering with local unions on a training program to increase state employee understanding of its retirement and health benefit plans and how to use them.<sup>41</sup> In this program, training partnership representatives help workers, including union members and nonmembers, navigate the state retirement and health benefits system to choose the appropriate plans for their situation, which participants believe will lead to savings for both workers and the state.

Relatedly, compliance and enforcement of employment laws have been shown to improve as a result of government partnerships with worker organizations.<sup>42</sup> The ability of unions and worker centers to understand industries, reach out to workers, educate them on the law, gain their trust, and help protect them from retaliation has been important for improving enforcement efforts.

Union involvement has also proven beneficial when it comes to workforce training. Experience suggests that trainings, such as apprenticeships, that are jointly run by unions and management are typically of higher quality and lead to higher-paying jobs than training programs that do not involve unions.<sup>43</sup> The publicly supported joint labor-management training program for home care workers in Washington state, for example, provides opportunities for career progression within the field and uses certifications to prevent untrained workers from eroding industry standards.<sup>44</sup> Today, Washington has some of the highest-quality long-term health care services and supports in the country.<sup>45</sup>

In short, navigator and other similar initiatives that involve unions and worker centers work well for many benefit programs, suggesting that extending the concept to unemployment insurance would be successful.

## The Ghent system

Several countries in northern Europe, including Denmark, Sweden, and Belgium, provide worker organizations a formalized role in administering unemployment benefits—an arrangement known as the Ghent system.<sup>46</sup> In Belgium, for example, the government is responsible for funding the unemployment insurance system, but labor unions receive money to help deliver the benefits. Workers are not required to be union members to receive benefits, but many choose to sign up through the unions because they make it easier to navigate the bureaucracy and receive benefits. Research suggests that insurance reciprocity rates are higher in Ghent countries than in other European countries. One study from 2005 found that 85 percent of unemployed people in Denmark and Sweden collected unemployment insurance, compared with only 20 percent of jobless workers in the United Kingdom and 47 percent of jobless workers in Germany.<sup>47</sup>

In turn, the Ghent system provides labor unions with an opportunity to recruit and retain members. It is notable that union membership is particularly high and stable in countries that use a Ghent UI system.<sup>48</sup> Cross-sectional analyses estimate that the Ghent system boosts union density in those countries by nearly 20 percentage points compared with non-Ghent countries.<sup>49</sup> Europe's experience with UI suggests that allowing workers' organizations or unions to help run UI programs on behalf of the government strengthens unions and, in turn, boosts workers' ability to bargain for higher wages and benefits.

Experts such as law professor Matthew Dimick, a leading scholar on the Ghent system,<sup>50</sup> organizations like the Center for American Progress and the Washington Center for Equitable Growth,<sup>51</sup> and elected officials, including Sen. Mark Warner (D-VA),<sup>52</sup> have discussed adapting elements of the Ghent system to the United States.

# Worker organization navigators could help UI systems work better

The case for further integrating worker organizations in the unemployment insurance system is based on more than the successes of similar programs. Because of their close relationship with both workers and employers, unions and worker centers are well-positioned to help make UI systems work better for all workers. Worker organizations can help workers become aware of benefits, understand the rules, liaison with government agencies, reduce stigma around UI, and protect workers from retaliation from former employers. In addition, they can provide and help the jobless access additional services related to job searching and training.<sup>53</sup>

As described in a Center for American Progress report, unions in both the United States and other countries have a strong track record of administering and helping workers to navigate complex benefits systems—including for UI.<sup>54</sup> Indeed, unions and worker centers are already successfully helping people, both union members and nonmembers, navigate the unemployment insurance system. In the state of Maine, for example, the local AFL-CIO directly supported more than 3,500 workers in sign-up for unemployment insurance during the COVID-19 recession as of November 2020. The union established a portal on its website where the unemployed can request help, and it trained a team of 10 to 15 volunteers to assist workers with filing, navigating, and troubleshooting. In addition, the Maine AFL-CIO has used its familiarity with the UI process to encourage the Maine Labor Department to implement systematic and technological improvements to its system.<sup>55</sup> Similarly, during the pandemic, Step Up Louisiana, a community and worker organization, helped workers seek UI benefits and push for legislated improvements.<sup>56</sup>

These sorts of navigator efforts should receive public support and be expanded on. Doing so would not only help improve UI reciprocity rates but also potentially help facilitate the recruitment and retention of members for unions and worker centers by ensuring visibility, improving access to workers, creating incentives for workers to join, and paving the way for greater recognition of the important work that unions do to support a fair economy.<sup>57</sup> This potential for supporting strong

worker organizations could help create a virtuous circle where stronger unions are able to help even more workers receive benefits. That is because unions help increase access to UI benefits not just through navigation but also through other roles—such as by increasing wages and tenure. By bargaining for better wages and work schedules, unions can increase the likelihood that workers meet both the monetary and nonmonetary criteria needed to qualify for unemployment benefits in the first place.<sup>58</sup> Furthermore, when workers and the jobless are organized, they can more effectively advocate for adequate UI funding.

Not surprisingly, research finds that unions help dramatically increase access to unemployment insurance,<sup>59</sup> especially for workers of color and those with lower educational attainment. For example, using UI administrative data and 2003 CPS data, researchers found that workers in groups with high unionization rates are more likely to receive UI.<sup>60</sup> Another study by labor economists John W. Budd and Brian P. McCall concluded that blue-collar workers who were laid off from union jobs were about 23 percent more likely than comparable nonunion workers to receive unemployment insurance benefits.<sup>61</sup>

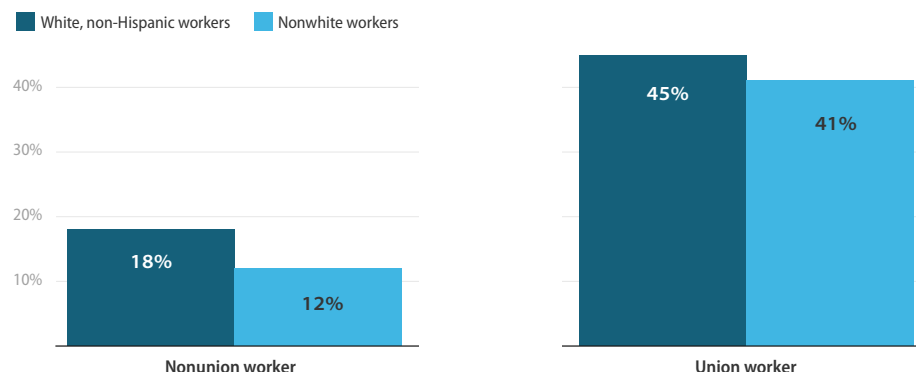
A 2020 report from the Washington Center for Equitable Growth affirmed this long-standing research.<sup>62</sup> In it, the authors found that after accounting for worker and job characteristics, “unemployed union workers were about 19 percentage points more likely to apply for Unemployment Insurance and were also about 19 percentage points more likely to receive these benefits.” The report also documented smaller racial and educational disparities in application and reciprocity for union members compared with nonunion members. Among nonunion members, nonwhite workers were roughly 17 percent less likely than white workers to apply for UI benefits—and 32 percent less likely to receive them. For unionized workers, however, nonwhite workers were only 9 percent less likely to receive benefits, and there was no statistical difference in application rates. Gaps between less educated workers and their more educated counterparts were also much smaller for jobless union members than they were for nonunion workers.<sup>63</sup> These findings on UI align with research showing that union members are also more likely to collect other public benefits—specifically workers’ compensation benefits—than are nonunion workers.<sup>64</sup>

All told, the research on unions and unemployment insurance and similar programs makes a strong case that UI navigators involving unions and worker centers would lead to improved results for the public.

**FIGURE 1**

## Union coverage closes racial gaps in unemployment benefit reciprocity

Percent of unemployed U.S. workers\* receiving unemployment benefits, by union coverage status prior to separation and race, 2018

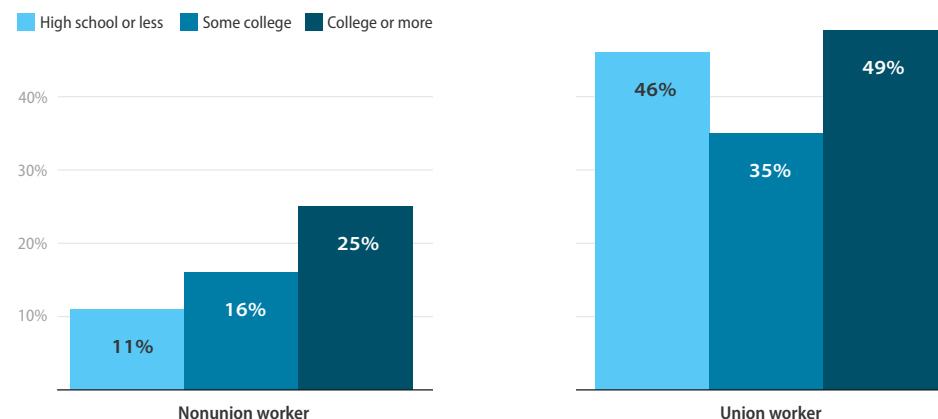


Sources: Figure 4 in Alexander Hertel-Fernandez and Alix Gould-Werth, "Labor organizations and Unemployment Insurance: A virtuous circle supporting U.S. workers' voices and reducing disparities in benefits," (Washington Center for Equitable Growth, 2020), available at <https://equitablegrowth.org/labor-organizations-and-unemployment-insurance-a-virtuous-circle-supporting-u-s-workers-voices-and-reducing-disparities-in-benefits/>; Hertel-Fernandez and Gould-Werth used U.S. Census Bureau, "Current Population Survey: May and September 2018 Unemployment Insurance Nonfilers Supplement," available at <https://www2.census.gov/programs-surveys/cps/techdocs/cpsmaysep18.pdf>.

**FIGURE 2**

## Union coverage closes educational gaps in unemployment benefit reciprocity

Percent of unemployed U.S. workers\* receiving unemployment benefits, by union coverage status prior to separation and educational attainment, 2018



\*includes unemployed workers who have worked in the past 12 months and workers on layoff expecting recall.

Sources: Figure 5 in Alexander Hertel-Fernandez and Alix Gould-Werth, "Labor organizations and Unemployment Insurance: A virtuous circle supporting U.S. workers' voices and reducing disparities in benefits," (Washington Center for Equitable Growth, 2020), available at <https://equitablegrowth.org/labor-organizations-and-unemployment-insurance-a-virtuous-circle-supporting-u-s-workers-voices-and-reducing-disparities-in-benefits/>; Hertel-Fernandez and Gould-Werth used U.S. Census Bureau, "Current Population Survey: May and September 2018 Unemployment Insurance Nonfilers Supplement," available at <https://www2.census.gov/programs-surveys/cps/techdocs/cpsmaysep18.pdf>.



# Policy recommendations

Policymakers at both the federal and state levels should create funded navigator programs for unions and other worker organizations to help improve access to unemployment benefits. These navigator programs would raise awareness of the availability of benefits, particularly among underserved individuals; assist individuals in accessing those benefits; help to identify systemic barriers to UI access; and seek to connect recipients to jobs or needed training. In order to ensure that these navigator programs are most effective, policymakers should:

- **Ensure that navigators supplement fully funded and staffed public agencies.** Navigator programs should be in addition to adequate public funding and staffing for unemployment agencies. Navigator programs should not attempt to substitute for public sector workers or privatize their work. Well-resourced public agencies are necessary for the UI system to function properly, as well as for navigators to succeed. The public system needs sufficient funding to be able to handle the increased reciprocity rates that navigators would help foster.
- **Provide sufficient and stable funding for navigators.** Funding would formalize the benefit navigation function that many unions and worker centers already provide to workers. It would also give them the resources to reach additional workers. Furthermore, by compensating navigators for the services they provide, governments signal that these navigators are valuable to the public. Funding should be sufficient to cover costs that navigators must bear, including staff time and overhead, and should be stable enough to allow for organizations to develop and maintain resources devoted to these efforts. Multiyear funding is best. Funding could be provided as grants and as funding for specific outcomes, such as a per-capita payment for each member signed up for UI. Grants could be calculated as a percentage of the previous year's UI benefit spending capped at a particular amount, with additional support provided during recessions. To ensure access for underrepresented groups, areas with low levels of UI reciprocity could be guaranteed a minimum number of navigators.

- **Clarify the duties of navigators.** Policymakers should clearly define the roles of navigators to ensure that they complement the role of public unemployment agencies. Navigator duties should include assistance to individuals applying for or making ongoing claims; outreach to identify individuals who may be eligible for UI benefits; targeted public education initiatives related to eligibility or the application process; and even services to appeal UI claims decisions. In addition, navigators could help the jobless connect to paid employment, including work-sharing arrangements, or to training or other services that will lead to high-quality jobs. Navigators could also help raise awareness about needed policy changes, for example, by providing information to UI agencies and policymakers about systemic issues that may be inhibiting access, as well as by providing trainings on how to most effectively assist underrepresented communities.
- **Define eligibility rules for navigators.** Eligibility rules should emphasize the participation of worker-led organizations such as unions and worker centers. Navigators should be not-for-profit organizations with a mission and history of advancing the interests of workers and with experience helping people access UI benefits. Entities should demonstrate that they have members or existing relationships with workers and the unemployed or could readily establish relationships with unemployed or underemployed workers; are capable of carrying out the duties required of them; and are knowledgeable of UI program processes. In addition, policymakers can prioritize grants to entities that represent workers or are recognized advocates for marginalized groups, including people of color, people with disabilities, those without a college degree, and those with low literacy. If there are more qualified organizations than funding, priority should go to organizations that represent the greatest number of workers and the jobless, as well as those that are democratically run by workers, as these organizations will be most likely to look out for the interests of workers and the jobless.
- **Facilitate interactions between navigators and the unemployment insurance system as well as reemployment and job training programs.** Navigators should have a formalized relationship with relevant government agencies, and agencies should coordinate with navigators to best support the needs of unemployed individuals. Policymakers should also provide navigators with easy access to relevant government staff. These structures can help ensure that navigators are able to most efficiently and effectively advocate for the unemployed.
- **Evaluate the impact of navigators.** Government should report on the use of funds provided under the UI navigator demonstration program. Reports should include assessments of the program's impact on take-up rates, including among populations with historically limited access, among other outcomes.

# Conclusion

Due to shortcomings in the current unemployment insurance system, many jobless workers in the United States do not collect the benefits they need and deserve. Creating a formal navigator program for unions and other worker-led organizations to help connect jobless workers with unemployment benefits would increase reciprocity rates and recognize the important services already being provided by unions. By promoting and supporting worker-led navigator programs, policymakers could raise the quality of public services while also strengthening worker power.

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## About the authors

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- 7 Time's Up, Measure Up, and others, "Foundations for a Just and Inclusive Recovery: Economic Security, Health and Safety, and Agency and Voice in the COVID-19 era" (2021), available at <https://timesupfoundation.org/work/times-up-impact-lab/times-up-measure-up/foundations-for-a-just-and-inclusive-recovery/>. The report notes: "Black and Latinx workers and low earners were more likely to need unemployment benefits—but they were also more likely to see their claims for unemployment assistance denied between March and October 2020, reflecting the difficulties in accessing a complicated set of programs with weak administrative resources and where employers may contest worker claims for benefits. Among those who applied for some form of unemployment support, 22% of those in the bottom pay quartile saw their claims denied, as opposed to 10% in the top pay quartile. Thirty-four percent of Black workers and 26% of Latinx workers applying for these benefits were denied, a substantially higher share than the 14% of white workers who were denied. And women were more likely than men to have their unemployment insurance claims denied (24% vs. 16%)."
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