



NEW YORK STATE SENATOR

George Onorato

# **Unemployed New Yorkers, State Senators, and Advocates For Jobless Call For Reform Of New York State's Unemployment Insurance System**

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NEWS FROM

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## Weekly Unemployment Benefits Not Raised Since 1998 & Lag Behind Neighboring States; Action Also Needed to Make Unemployment Trust Fund Solvent Again

State Senator George Onorato (D-Queens), the chairman of the State Senate Labor Committee, today joined with unemployed New Yorkers from a variety of occupations and wage levels, other state senators, and advocates for the jobless in calling for action on legislation (S.2245) he sponsors to increase weekly unemployment benefits and begin the process of bringing New York's Unemployment Insurance Trust Fund back from bankruptcy.

"In today's difficult economy, the ranks of the unemployed in New York are growing daily, and people from all wage levels and occupations are facing or have already experienced job losses," said Senator Onorato. "While their jobs and their take-home pay may have differed while they were still in the work force, New York's unemployed share one common challenge: making ends meet on low weekly unemployment benefits that have not been raised in more than a decade and that now amount to poverty-level assistance."

Right now, New York's maximum weekly benefit is \$405, although Congress temporarily increased the benefit by \$25 earlier this year. When that federal increase expires, the state's benefit will return to \$405 – which it has been since 1998. In contrast, the weekly benefit in New Jersey is \$584, while jobless workers in Connecticut can collect \$519 a week, and unemployed Massachusetts residents can receive up to \$628.

At today's press conference, a number of unemployed New Yorkers, representing many different walks of life and occupations, told of their personal struggles to stay afloat while searching for new employment and subsisting on inadequate benefits. The number of unemployed New York State residents now stands at more than 854,000, and the unemployment rate is 8.7 percent – the highest rate in 17 years. In New York City, the overall unemployment rate is 9.5 percent.

In addition to the workers, representatives of the National Employment Law Project (NELP) and Fiscal Policy Institute (FPI) spoke of both the need to raise benefits and the need to begin bringing New York's Unemployment Insurance Trust Fund back to solvency. The Trust Fund, which is funded by employer contributions and is the source of benefits paid out to the unemployed, has been bankrupt since the early

hours of 2009. In addition, the taxable wage base – upon which employer contributions to the fund are calculated – has not been raised in 11 years. Right now, employers only pay unemployment taxes on the first \$8,500 of wages in New York. In New Jersey, the taxable wage base is \$28,900, while Connecticut's stands at \$15,000 and Massachusetts at \$14,000.

"New York's unemployed workers, in all industries and across the state, are being forced to scrape by with benefits far less than what many other states consider acceptable. In the last year alone, Albany's failure to raise unemployment benefits from \$405 to \$475 prevented \$267 million in additional benefits from reaching about 283,000 jobless New Yorkers – and turned away a crucial life line for workers and a jolt of economic stimulus for our state's economy," said Andrew Stettner, Deputy Director of the National Employment Law Project and co-author of NELP and FPI's recent report, *Casualty of Chaos: The Cost of Albany's Inaction on Jobless Benefit Increases*.

James Parrott, the Deputy Director and Chief Economist of the Fiscal Policy Institute, said, "New York's leaders need to respond to the state's worsening unemployment crisis. Local businesses and communities all over the state, as well as jobless workers, will benefit when the state finally acts to bring benefits up to levels that exist in our neighboring states."

Jack Ahern, President of the New York City Central Labor Council, said, "It's clear that the time is long overdue to bring the state's maximum weekly benefit into line with neighboring states and to help unemployed New Yorkers ride out this recession without losing everything they've worked for. Taking action to raise benefits and stabilize the Unemployment Trust Fund is not only the fiscally responsible thing to do, it's the right thing to do."

In addition to Senator Onorato, who is the chief sponsor of the unemployment insurance reform bill, a number of other state senators who co-sponsor the legislation expressed their support for the initiative.

State Senator Toby Ann Stavisky (D-Queens) said, "The state set unemployment rates more than 10 years ago, allowing a maximum payment of \$405, which was then half the average weekly wage — and thanks to inflation, its spending power is now roughly \$330. New York's unemployment benefit is the second-lowest in the

country, and puts many of the people receiving benefits at or below the poverty line. For example, an unemployed New Jersey resident could receive up to \$584 per week, which better allows him or her to meet financial obligations such as rent, food, student loans and continuation of health insurance.”

“We need to provide jobless New Yorkers with adequate resources to support themselves and their families while they struggle to get back on their feet,” said Senator Suzi Oppenheimer (D-Mamaroneck). “This legislation, which provides a graduated increase in the maximum unemployment benefit rate while ensuring the solvency of the unemployment trust fund, is long overdue.”

“It is an outrage that a state with such a high cost of living would burden its unemployed like this,” said State Senator Bill Perkins (D-30thDist.). “In my district of Upper Manhattan, unemployment is particularly high. People here know how to stretch a dollar. Still they are hard pressed. We cannot sit idly by and allow this inequity in unemployment benefits to continue. This bill needs to pass now, and the Governor needs to sign it into law.”

State Senator Andrea Stewart-Cousins (D/WF-35th District) stated, “During these difficult economic times, working families are struggling to make ends meet. For the unemployed, the struggle is even greater. Therefore, I am pleased to support this important bill to provide a much needed increase in benefits that, in turn, is sure to help so many of New York’s families.”

State Senator Eric Adams (D-Brooklyn), said, “S2245, which increases the maximum weekly benefit rate for unemployment insurance, has substantial legislative value: it assists individuals who have lost their jobs to maintain themselves and their families while they seek new work. It is an essential investment in our economy and in our citizenry. Losing one’s job levies both a financial and an emotional toll. I am proud to support legislation to mitigate this damage, and I will continue to work assiduously in support of my constituents in Senate District #20 and my fellow New Yorkers across our great state.”

“New York’s economic slowdown has had a devastating impact on New York’s working families, and as legislators, it is our responsibility to provide New Yorkers with vital assistance during this difficult time,” said Senator Hiram Monserrate (D-Queens). He added, “Our unemployment rolls are comprised of people who, often

through no fault of their own, find themselves without a job. Senator Onorato's legislation, which I have co-sponsored, will provide a higher rate of unemployment benefits during this economic downturn."

Other senators who currently co-sponsor the legislation are: Joseph Addabbo, Darrel Aubertine, Neil Breslin, Ruben Diaz, Martin Malave-Dilan, Ruth Hassell-Thompson, Andrew Lanza, Kevin Parker, Diane Savino, Eric Schneiderman, William Stachowski, and Antoine Thompson.

In conclusion, Senator Onorato said, "The time to pass this legislation is upon us, and to make sure that the faces of the unemployed are seen and that the voices of the unemployed are heard. It is imperative that we take new action to help jobless New Yorkers keep roofs over their heads and take fiscally responsible steps to put our Unemployment Trust Fund back in the black."