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June 23, 2020

The Honorable Chuck Grassley
Chair

Committee on Finance

U.S. Senate

Washington, DC 20510

The Honorable Ron Wyden

Ranking Member

Committee on Finance

U.S. Senate

Washington, DC 20510

**RE: Statement for the Record, U.S. Senate Finance Committee Hearing on
"Unemployment Insurance during COVID-19: The CARES Act and the Role of
Unemployment Insurance During the Pandemic," June 9, 2020**

Dear Chair Grassley and Ranking Member Wyden:

On behalf of The Leadership Conference on Civil and Human Rights, a coalition charged by its diverse membership of more than 220 national organizations to promote and protect the rights of all persons in the United States, I thank you for the opportunity to submit our views on the importance of reauthorizing and extending the Pandemic Unemployment Compensation (PUC), Pandemic Unemployment Assistance (PUA), and Pandemic Emergency Unemployment Compensation (PEUC) programs contained in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. We ask that this statement be entered into the record of the U.S. Senate Finance Committee hearing entitled "Unemployment Insurance during COVID-19: The CARES Act and the Role of Unemployment Insurance During the Pandemic," held on June 9, 2020.

As the COVID-19 crisis continues to rage in the United States, it is of paramount importance that Congress attend first and foremost to the health and safety of the country and continue to provide critical and necessary relief and aid to everyone, particularly to the communities hit hardest by the pandemic. The United States now leads the world both in the number of confirmed COVID-19 cases and COVID-19 deaths, and at the same time, millions of people have lost their jobs because of the virus, causing substantial financial insecurity. We appreciate the work that Congress has done to reduce the devastating impact of COVID-19 on the health and economic security of people in America; but our fight against this virus is far from over, and the road to recovery remains precarious for the most vulnerable in this country.

Although everyone has been impacted by the COVID-19 pandemic, not everyone has been impacted the same. Longstanding inequities and systemic racism have not only resulted in Black and Brown communities facing increased risk of COVID-19 illness and death,¹ but also in Black and Brown workers suffering alarming rates of unemployment due to the pandemic.² Working people of color are disproportionately represented in lower-wage jobs that must be done outside the home, which has placed them at greater risk of joblessness during the pandemic than higher-income White workers who are more likely to hold the kinds of office jobs that have been able to transition to remote work.³ Low-wage industries such as hospitality and retail that rely heavily on the labor of people of color have experienced the highest rates of unemployment.⁴ In particular, women of color comprise a disproportionate share of jobs in the hardest hit industries, compounding the economic insecurity many families of color experience.⁵

For these and other vulnerable communities, the process of economic recovery may be slow as communities of color continue to face alarmingly high unemployment rates. After losing more than 22 million jobs between February and April, the economy added 2.5 million jobs in May.⁶ This bump in employment, however, does not tell the complete story. Total job losses since February is still around 20 million, and the unemployment rate is still higher than the highest level of unemployment reached during the Great Recession. Moreover, the gains that were experienced were not felt equally. Though the reported unemployment numbers improved slightly overall, the unemployment rate for Black workers increased in May, and unemployment rates for Black (16.8 percent), Hispanic (17.6 percent), and Asian (15 percent) workers remained higher than the national average.⁷ This trend is further pronounced across gender lines. The unemployment rate for White men in May was two percentage points below the national unemployment rate, reported at 11.3 percent.⁸ Meanwhile, the unemployment rates for Black and

¹ See *The COVID Racial Data Tracker*, The Atlantic, available at <https://covidtracking.com/race> (last visited June 23, 2020).

² See Patricia Cohen and Ben Casselmen, *Minority Workers Who Lagged in a Boom Are Hit Hard in a Bust*, New York Times (June 6, 2020), <https://www.nytimes.com/2020/06/06/business/economy/jobs-report-minorities.html>.

³ Elise Gould and Heidi Shierholz, *Not Everybody Can Work from Home*, Econ. Pol’y Inst (March 19, 2020), <https://www.epi.org/blog/black-and-hispanic-workers-are-much-less-likely-to-be-able-to-work-from-home/>.

⁴ Chad Stone, *People Already Facing Opportunity Barriers Hit Hardest by Massive April Job Losses*, Ctr. on Budget and Pol’y Priorities (May 12, 2020), <https://www.cbpp.org/blog/people-already-facing-opportunity-barriers-hit-hardest-by-massive-april-job-losses>.

⁵ See Jasmine Tucker & Julie Vogtman, *When Hard Work Is Not Enough: Women in Low-Paid Jobs*, Nat’l Women’s Law Ctr. (April 2020), <https://nwlc.org/resources/when-hard-work-is-not-enough-women-in-low-paid-jobs/>.

⁶ Elise Gould, *While Welcome Gains, Job Losses Since February Still Total 19.6 Million*, Econ. Pol’y Inst. (June 5, 2020), <https://www.epi.org/press/while-welcome-gains-job-losses-since-february-still-total-19-6-million-now-is-not-the-time-to-stop-providing-relief/>.

⁷ Bureau of Labor Statistics, Dep’t of Labor, *The Employment Situation—May 2020* (June 5, 2020), <https://www.bls.gov/news.release/pdf/empst.pdf>.

⁸ Cohen and Casselmen, *supra* note 2. As many as 4.9 million people may have been misclassified as employed rather than unemployed in the May jobs report making the actual unemployment rate much higher than what was reported by BLS. See Chad Stone, *CARES Act Measures Strengthening Unemployment Insurance Should Continue While Need Remains*, Ctr. on Budget and Pol’y Priorities (June 9, 2020), <https://www.cbpp.org/research/federal-budget/cares-act-measures-strengthening-unemployment-insurance-should-continue>.

Hispanic women were a striking 17.5 percent and 19.5 percent respectively, and the unemployment rate for White women was at 13.6 percent.⁹

The CARES Act, though not complete, has provided a necessary lifeline to millions of people who have found themselves out of work during this pandemic. The PUA, PUC, and PEUC have been particularly impactful for working people on the economic margins, low-wage workers who do not have the savings or access to resources that can help sustain them through a crisis. This is especially true for many working people of color who—because of years of discrimination in employment, education, housing, and lending—suffer from racial wealth gaps that make it more difficult to withstand sudden job loss. With fewer resources to draw on, nearly half of Black and Latino families, for example, report increased food insecurity or the inability to fully pay their mortgage, rent, or utilities as a result of coronavirus—almost double the percentage reported by White families.¹⁰

Yet, PUC is set to end in about a month, on July 31, leaving our most vulnerable working people without a critical supplement to unemployment insurance (UI)—one that has allowed many families to make ends meet. PUC helps ensure that working families can remain whole during this pandemic. Regular state UI benefits generally replace less than half of the average unemployed worker’s earnings. The average weekly benefit amount varies by state, but the average benefit nationwide was only \$378 in March, with some working people receiving much less.¹¹ In Louisiana, for example, the average benefit was only \$211 per week.¹² During this particular economic crisis, when businesses are shuttered, when there may be no jobs to return to, and the duration of the crisis is determined largely by the virus itself, state benefit amounts without PUC are insufficient for the average worker. Allowing PUC to expire will not end the recession or make jobs return; it will only increase financial hardships, and the people who will feel these hardships most acutely are people of color who have already been systemically economically disadvantaged and who are particularly vulnerable to COVID-19.

PEUC, which provides federal funding for an additional 13 weeks of state UI benefits, is set to expire on December 31 despite no indication that the need will dissipate. During the week ending on May 30, over 1 million individuals claimed PEUC benefits,¹³ and these benefits are particularly important for communities of color. Specifically, extending the duration of UI benefits through PEUC is critical for Black workers who have been disadvantaged in the job market and as a result have historically experienced longer periods of unemployment as

⁹ Cohen and Casselmen, *supra* note 8.

¹⁰ Steven Brown, *How COVID-19 Is Affecting Black and Latino Families’ Employment and Financial Well-Being*, Urban Institute (May 6, 2020), <https://www.urban.org/urban-wire/how-covid-19-affecting-black-and-latino-families-employment-and-financial-well-being>.

¹¹ Stone, *supra* note 8.

¹² *Id.*

¹³ Dep’t of Labor, News Release, Unemployment Insurance Weekly Claims (June 18, 2020), *available at* <https://www.dol.gov/ui/data.pdf> (last visited June 23, 2020).

compared to White workers.¹⁴ Failure to extend benefits would only exacerbate the harm caused by prior policy choices that have made Black communities more vulnerable to unemployment in the first place.

Similarly, PUA, which provides relief to working people who have exhausted their state UI benefits or who have been left out of regular state UI entirely—independent contractors, freelancers, self-employed workers, workers seeking part-time work, and those who do not have a long-enough work history to qualify for state benefits—is set to expire on December 31. Though slow to start, PUA has provided real relief during this crisis to millions of people. Over 9 million individuals claimed PUA benefits during the week ending May 30.¹⁵ Without PUA, not one of these individuals would qualify for any other form of unemployment assistance. And the need continues: over 1.45 million people filed new PUA claims just in the first two weeks of June.¹⁶ To allow PUA to expire under these circumstances is to allow economic ruin for millions of Americans.

As this dual public health and economic crisis goes on, we know that many people will not be able to return to work quickly. For communities hard hit by coronavirus, family members may still need to provide care for someone diagnosed with COVID-19. Employers may have gone out of business or may be slow to reopen at full capacity. Still, many childcare facilities may remain closed, making employment outside of the home impossible for some. Even pre-pandemic, lack of affordable childcare presented significant challenges for Black and Latino mothers who are more likely to be the sole or primary breadwinners for their families and who disproportionately occupy low-wage jobs with inconsistent, or nonstandard schedules, making childcare a struggle.¹⁷ Whatever the reason, these individuals and their families will continue to need support from PUA, PUC, and PEUC during this economic crisis. These programs must be reauthorized and extended.

Importantly, to meet the need, these benefits should not be tethered to an arbitrary deadline but must be tied to specific economic triggers to ensure that these critical measures stay in place until the labor market recovers. It is unlikely that our nation's economic recovery will be quick or that it will be experienced equally. Given the uncertainty around when this crisis will end, and the magnitude of the need, Congress must ensure that relief measures do not expire too soon or become unnecessarily politicized, which would only add to the hardship being faced by vulnerable communities because of this pandemic.

¹⁴ See Christian E. Weller, *African Americans Face Systematic Obstacles to Getting Good Jobs*, Ctr. for Am. Progress (Dec. 5, 2019), <https://www.americanprogress.org/issues/economy/reports/2019/12/05/478150/african-americans-face-systematic-obstacles-getting-good-jobs/>.

¹⁵ Dep't of Labor, *supra* note 13.

¹⁶ *Id.*

¹⁷ Leila Schochet, Ctr. for Am. Progress, *The Child Care Crisis is Keeping Women Out of the Workforce* (March 28, 2019), <https://www.americanprogress.org/issues/early-childhood/reports/2019/03/28/467488/child-care-crisis-keeping-women-workforce/>.

The pandemic has exposed and exacerbated persistent disparities in our UI system. As we emerge from this crisis, we also ask that the Committee consider long-term structural reforms to strengthen the ability of UI to deliver meaningful assistance to vulnerable families and individuals and act as a stimulus for the economy. Many of our coalition members have identified key components of effective long-term reform,¹⁸ including mandating a minimum of 26 weeks of UI in all states, requiring states to replace a higher share of people's lost income, ensuring that UI is available to part-time workers in every state, making work-sharing available in every state, and fixing extended benefits triggers on economic indicators so additional weeks of benefits are turned on automatically based on increases in the unemployment rate.

We thank you again for the opportunity to express our views. We urge this Committee to support reauthorization and extension of the PUC, PEUC, and PUA to meet the need created by the current economic crisis. Specifically, such an extension should be tied to the labor market to ensure that relief is available for as long as the economic conditions warrant, particularly given the growing uncertainty regarding the extent and duration of the downturn. We also ask that the Committee consider structural reforms designed to strengthen UI for everyone. Please contact Gaylynn Burroughs, Senior Policy Counsel, at burroughs@civilrights.org with any questions.

Sincerely,



Vanita Gupta
President and CEO

¹⁸ Nat'l Women's Law Ctr. et al., *Fixing Unemployment Insurance in Response to COVID-19* (March 2020), <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/03/NWLC-et-al.-UI-COVID-Factsheet-20200323.pdf>.