

Lessons Learned from the Pandemic

A Data-Based Approach
to Unemployment Insurance Reform

*“It shouldn’t be this difficult
trying to get help.”*

Female; Lobsterer; Hancock County

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Maine Equal Justice
People Policy Solutions



I. Introduction: The pandemic created a ‘perfect storm’ highlighting years of neglect in the nation’s unemployment system

Throughout the last year, tens of thousands of Maine workers lost their jobs due to an unprecedented pandemic and the resulting recession that sent shock waves through our economy. When these workers turned to the unemployment insurance (UI) program for urgent help, they encountered a program unprepared and unable to manage the magnitude of claims filed. Many waited months for benefits while they struggled to pay the rent and put food on the table. Had the federal government not stepped in by creating three new UI programs to supplement inadequate state programs, nearly two-thirds of Maine’s unemployed workers would have been left without any support during the crisis.

Throughout January 2021, The Maine AFL-CIO and Maine Equal Justice, with the help of other community groups and worker organizations reached out to constituents to ask them to complete a survey describing their experiences applying for UI benefit. This report describes the experiences of those workers as they sought help from the UI system during the pandemic. Their responses illustrate a system that needs structural reform in order to respond to the realities of today’s economy and labor market and to do its job of protecting workers with a bridge from economic disruption to reemployment, and for many toward new careers.

Maine families experienced hardship and suffering because of the failures of Maine’s UI system. Survey responses in this report illuminate the anguish and stress people experienced, along with the mandate for change that they call for:

*“It’s been a nightmare from day one.
Not knowing from day to day what mistake the computer
will make overnight means eating or not.”
Female, Gig Worker; Washington County*

*“Families are suffering while waiting for claims to process...
that needs to change!”
Female; Retail Worker, Hancock County*

*“We should have a preparedness for disasters such as Covid,
but should probably focus on fixing the core [UI] system.”
Female, Technology Worker, Cumberland County*

Background:

While Covid-19 has shone a bright light on systemic flaws of the UI system, today’s problems have been years in the making. Our nation’s unemployment insurance system has suffered from decades of neglect and underfunding. The UI program, established in the 1930’s as part of the New Deal, is a joint state-federal program. It was designed for a dual purpose—to provide temporary income support to those out of work through no fault of their own, and to act as an economic stabilizer, sustaining local economies during economic downturns by making sure these families had dollars to spend in these communities.

Until the pandemic struck in the winter of 2020, Congress had largely ignored the UI program as evidenced by its failure to enact any major federal UI reforms in over four decades, while the administrative role of the federal Department of Labor in providing leadership and oversight had also weakened.¹ Although states administer UI benefits, funding for that administration comes almost entirely from the federal government. This federal revenue comes from a tax on employers assessed on the first \$7,000 of a worker’s wages. The last time this tax was adjusted for inflation was in 1983.²

Since its creation, there have been dramatic changes in the structure of work and the workforce, yet the UI program has failed to adapt to those changes.³ States too, have largely failed to make changes within the scope of their own authority to increase UI program adequacy. In fact, following the Great Recession, many states, including Maine⁴, made changes that further restricted access to UI.⁵ Due to this inaction and the adoption of more restrictive policies, only one-in-four (26%)



¹ O’Leary, Christopher and Wandner, Sephen; “An Illustrated Case for Unemployment Insurance Reform”; W.E Upjohn Institute; Working Paper 19-317; January 1, 2020. https://research.upjohn.org/cgi/viewcontent.cgi?article=1336&context=up_workingpapers

² Whittaker, Julie; “Unemployment Compensation: The Fundamentals of the Federal Unemployment Tax”; Congressional Research Service; October 25, 2016; <https://fas.org/sgp/crs/misc/R44527.pdf>

³ McKay, Conor; Pollack, Ethan, and Fitzpayne, Alastair; “Modernizing Unemployment Insurance for the Changing Nature of Work”; January 2018, Aspen Institute. https://www.aspeninstitute.org/wp-content/uploads/2018/01/Modernizing-Unemployment-Insurance_Report_Aspen-Future-of-Work.pdf

⁴ Public Law 2011 Chapter 645; file:///Users/Owner/Downloads/chapter-18.pdf

⁵ Badger, Emily, Parlapiano, Alicia; “States Made it Harder to Get Jobless Benefits. Now that is Hard to Undo.” New York Times, April 30, 2020. <https://www.nytimes.com/2020/04/30/upshot/unemployment-state-restrictions-pandemic.html>

jobless Maine workers received unemployment benefits at the outset of the pandemic, ranking just below the national average of 28%. This so-called “reciency rate” has been steadily declining in Maine from 50% in 1990; 39% in 2000; 32% in 2010, to 26%, as noted, in the year before the pandemic struck.⁶

Low reciency rates are particularly acute among low-wage workers and people of color. Low wage workers are almost two-and-a-half times as likely to be out of work as higher wage workers, but about half as likely to receive UI benefits.⁷ African Americans are less likely to receive UI than other workers, even after accounting for other factors affecting benefit receipt.⁸

As the pandemic loomed, and with it the greatest challenge to the UI program in decades, Congress confronted a system that failed to insure the vast majority of unemployed workers, inadequately replaced lost wages, and was dependent on a financing system that had not kept up with need.⁹ Compared to the rest of the industrialized world, the U.S. unemployment insurance system is one of the least generous as measured by the percent of lost wages replaced, and the duration of benefits provided.¹⁰



In the face of this challenge, Congress reacted with remarkable speed in a bipartisan manner to create three new unemployment programs aimed at addressing these deficits. It created the Pandemic Unemployment Assistance Program (PUA) to cover workers not traditionally eligible for benefits, including the self-employed, gig workers, those with irregular or non-traditional employment or otherwise shut out of the UI system; the Pandemic Unemployment Compensation (PUC) to improve benefit adequacy; and the Pandemic Emergency Unemployment Compensation Program (PEUC) to extend benefits longer for those that needed them as many have.

⁶ United State Department of Labor, Employment and Training Administration; Unemployment Insurance Chartbook, Reciency Rate by State. <https://oui.doleta.gov/unemploy/chartbook.asp>

⁷ “Unemployment Insurance Low-Wage and Part-Time Worker Continue to Experience Low Rates of Receipt”; GAO, September 2007. <https://www.gao.gov/new.items/d071147.pdf>

⁸ Nichols, Austin and Simms, Margaret. “Racial and Ethnic Differences in Receipt of Unemployment Insurance Benefits during the Great Recession.” Urban Institute. June 2021; <https://www.urban.org/sites/default/files/publication/25541/412596-Racial-and-Ethnic-Differences-in-Receipt-of-Unemployment-Insurance-Benefits-During-the-Great-Recession.PDF>; and Kofman, Ava ad Fresques, Hannah; “Black Workers are More Likely to Be Unemployed but Less Likely to Get Unemployment Benfits. Pro Publica, August 24, 2020. <https://www.propublica.org/article/black-workers-are-more-likely-to-be-unemployed-but-less-likely-to-get-unemployment-benefits>

⁹ Edwards, Katheryn A.; “Millions Need Unemployment Benefits. Unfortunately, the Delivery System is Broken.” April 6, 2020. <https://www.rand.org/blog/2020/04/millions-need-unemployment-benefits-unfortunately-the.html>

¹⁰ Burtless, Gary. “When then next recession hits, will unemployment benefits be generous enough?”; Brookings Institute; November 28, 2018. <https://www.brookings.edu/opinions/when-the-next-recession-hits-will-unemployment-benefits-be-generous-enough/>

These programs have dramatically increased the accessibility and adequacy of unemployment benefits for thousands of workers here in Maine. Yet at the same time, they placed unprecedented stress on already weakened state infrastructures, inadequately-staffed and ill-prepared for the complexity, speed and volume that implementation demanded. As states throughout the country struggled to meet these challenges, circumstances inevitably led to the perfect storm described in the stories told by survey respondents in this report.

Congressional action over the last year has taught us that with strong policy initiatives the UI program can be dramatically improved. While our nation waited over the December holidays for the President to sign the third Coronavirus relief bill, two-thirds of weekly UI claimants were getting benefits from one of the new federal programs. Only one-third were relying on regular state unemployment benefits¹¹. Had the President not signed that bill, approximately 27,000 Mainers would have lost unemployment insurance in the middle of a pandemic.

This experience highlights two lessons that must guide us going forward: (1) Maine must rise to the challenge of modernizing the UI system lest we risk being similarly vulnerable to this kind of calamity in the future, or shut workers in need out of the system even in non-pandemic times; and (2) enhanced federal UI benefits demonstrate what is possible with a strong UI system as a family of four receiving PUC was able to get by and stay above poverty level. The extended benefits provided by PEUC protected thousands of Maine workers from loss of benefits when Maine's extended benefit period ended in mid-November.

While reform is needed at the federal level, states too have the responsibility and authority to change laws and policies that can greatly improve their own UI systems. This same authority gives states a critical tool to manage their own economies to be more responsive to economic downturns. Will Maine policy makers heed this challenge? That is the question on the minds of many, including this survey respondent:

“Will the many folks in Maine, like me, with a non-traditional mix of jobs who ended up in the PUA program be taken into consideration in the future should we... become once again unemployed?”

- Female; Teacher; Hancock County

¹¹ Claims for Unemployment Compensation, Week Ending December 26, Maine Department of Labor, 12-31-2020. https://www.maine.gov/labor/news_events/article.shtml?id=3889550

II. Survey Method; Respondent Characteristics

What was the UI survey and how was it administered? This report presents the findings from a survey of Mainers who filed, or tried to file, claims for unemployment insurance during the pandemic. It describes their experiences with an eye toward promoting a better understanding of the condition of Maine’s UI system, and the transformation needed for it to do a better job of protecting Maine workers and our state economy.

Throughout January 2021, The Maine AFL-CIO and Maine Equal Justice, with the help of various other community groups including worker organizations, anti-poverty and immigrant-led groups, reached out to constituents to ask them to fill out a survey describing their experiences applying for UI benefits. By the month’s end there were 321 valid responses that form the basis of this report. The data was reviewed by Sandy Butler, Professor of Social Work at the University of Maine. Professor Butler has published multiple studies throughout her career examining the circumstances of working persons and those living in poverty.

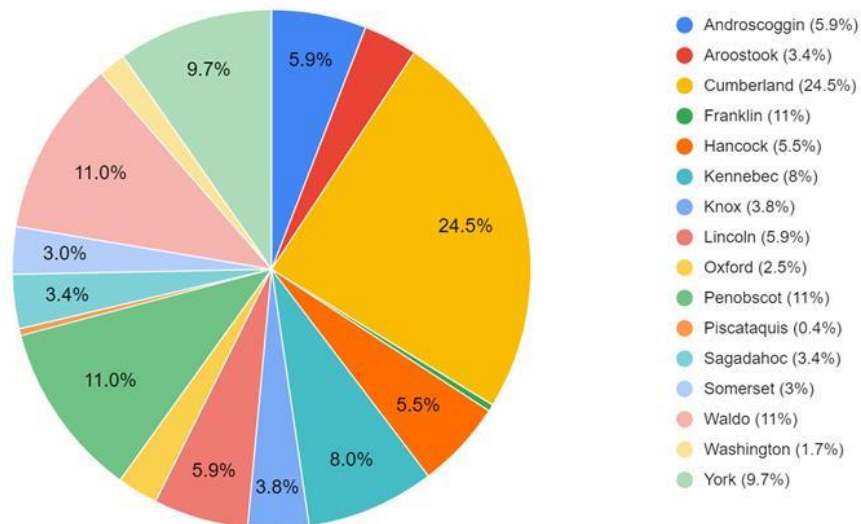
Who responded to this survey and how do they compare to the population of all UI recipients in Maine?

The demographics collected from survey respondents show them to be representative of all UI claimants in Maine in many respects.

Demographic snapshot of survey respondents:

Location. Respondents came from all 16 counties in the state.¹²

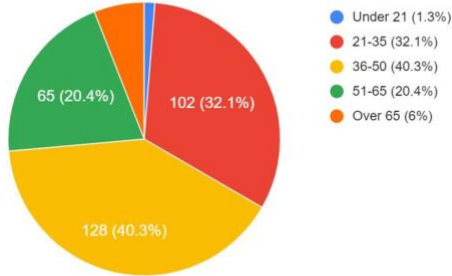
Maine County of Residence



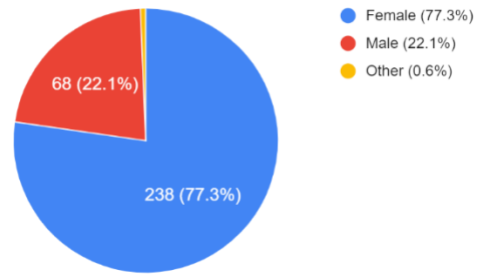
¹² Responses on county of residence were not available from an early group of respondents (approximately 69 individuals). These data represent responses from all other respondents.

Age. Persons from all age groups responded to the survey. Although it was not possible to do a direct comparison to the age groups representing all UI recipients based on data collected by the Maine DOL¹³, where comparison could reasonably be made, the ages of survey respondents generally align with DOL data.

Age of Respondents



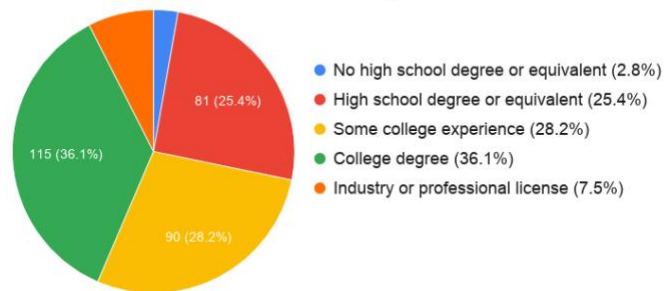
What is your gender?



Gender. Over three-quarters of respondents were female. Female respondents were overrepresented in this survey—77% compared to 51% of all UI recipients according to Maine DOL data.¹⁴ There are two possible explanations for this difference: (1) Some research indicates women may be more likely to respond to web-based surveys than men¹⁵; and (2) according to a 2020 Kaiser Family Fund Coronavirus poll, a larger share of women as compared to men worry that they or someone in their family will get sick from the coronavirus (68% vs. 56% respectively) and worry about losing income due to a workplace closure or reduced hours (50% vs. 42% respectively)¹⁶ giving them more incentive to respond.

Education. Survey respondents represented a wide range of educational attainment. While the Maine Department of Labor does not publish data related to UI receipt by educational attainment, we reviewed U.S. Census data to determine whether survey respondents were representative of the overall levels of educational attainment of Maine adults age 25 and older.¹⁷ In general,

What is the highest level of education you finished?



this survey somewhat underrepresents people with a high school diploma/equivalent or less (28.2% vs. 38.9%), overrepresents those with some college but no degree (28.2% vs. 19.3%) and underrepresents

¹³ Maine Department of Labor Characteristics of Continued Claims, Age; December 2020. <https://www.maine.gov/labor/cwri/ui.html>

¹⁴ Maine Department of Labor Characteristics of Continued Claims, Gender; December 2020. <https://www.maine.gov/labor/cwri/ui.html>

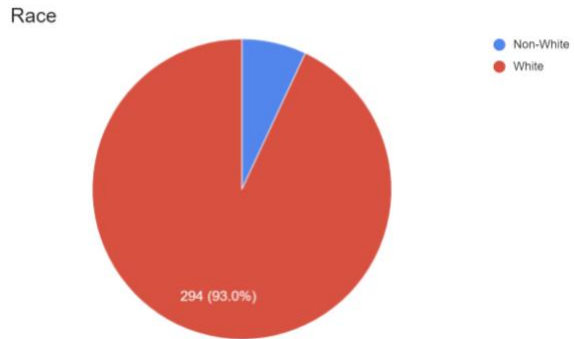
¹⁵ Smith, W.G., "Does Gender Influence Online Survey Participation? A Record-Linkage Analysis of University Faculty Online Survey Response Behavior"; 2008. <http://www.websm.org/db/12/12527/rec/>

¹⁶ Frederiksen, Brittini; Gomez, Ivette; Salganicoff, Alina; and Ranji, Usha; "Coronavirus: A Look at Gender Differences in Awareness and Actions;" Kaiser Family Fund, March 20, 2020. <https://www.kff.org/coronavirus-covid-19/issue-brief/coronavirus-a-look-at-gender-differences-in-awareness-and-actions/>

¹⁷ United States Census; Selected Social Characteristics in the United State, Maine. 2019: ACS 5-year estimate for population 25 years and over. <https://data.census.gov/cedsci/table?g=0400000US23&tid=ACSDP5Y2019.DP02&hidePreview=true>

those with an associate’s degree or higher (36.1% vs. 41.9%) when compared to the general Maine population.

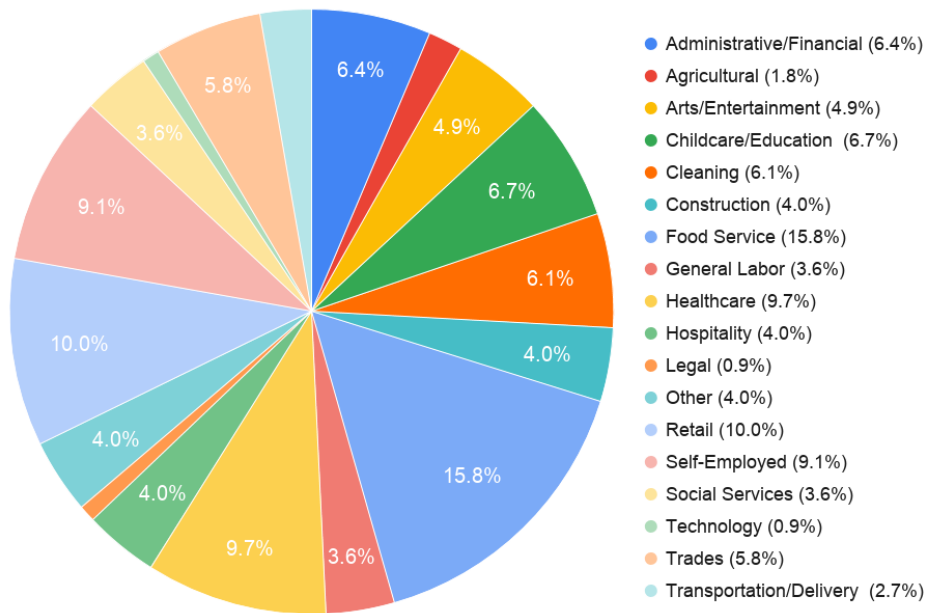
Race. The race of survey respondents was comparable to the population of all Maine UI recipients according to Maine Department of Labor data (93% white/7% non-white vs. 92%/8% non-white respectively).¹⁸



Occupation: Surveys were submitted by respondents representing a wide range of occupations.

Some differences in occupational coding prevented a comprehensive comparison of occupations listed by respondents to those characteristic of all UI recipients as determined by the Maine Department of Labor. However, we were able to compare some occupations listed by survey respondents to those same occupations captured by the Maine DOL. Where that was possible, we found very similar representation. The table below shows a close similarity in occupations between survey respondents and all UI recipients as determined by Maine DOL for certain categories¹⁹:

Occupation



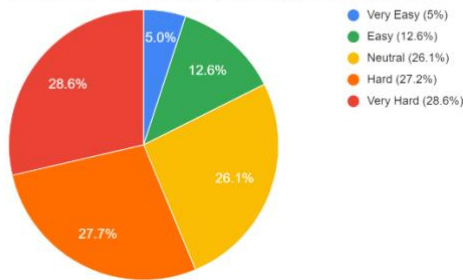
¹⁸ Maine Department of Labor Characteristics of Continued Claims, Race; December 2020. <https://www.maine.gov/labor/cwri/ui.html>

¹⁹ Maine Department of Labor Unemployment Insurance Program Characteristics of Continued Claimants; Occupations; December 2020. <https://www.maine.gov/labor/cwri/ui.html>

Occupational Category	Survey Respondents	All UI Recipients per MDOL
Agriculture	1.8%	1%
Construction	4%	7%
Food and Hospitality	20%	21%
Health and Social Assistance	11%	13.3%
Retail	10%	10%
Transportation	3%	2.7%

III. The Results: What We Learned from Survey Respondents

How difficult was the unemployment application process?

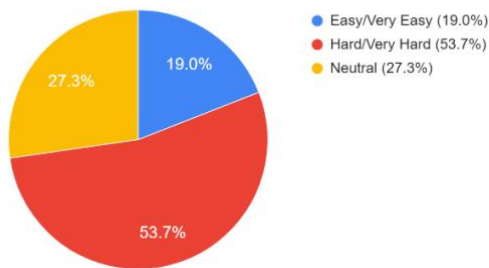


A significant majority found the UI application process “hard” or “very hard” (56.3%). Only 5% found it “very easy” and 12.6% “easy”. Reasons for this difficulty are further described in our analysis of respondent comments later in this report.

“It was the most frustrating and anxiety provoking interaction I have ever had with a State agency.”

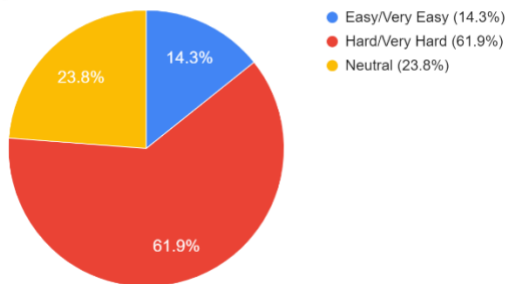
- Female; Production Worker; Sagadahoc County

Age: 50 and Under



While there were no clear trends across demographic groups related to levels of difficulty, those over 50 years old were more likely to find the process “hard” or “very hard” than younger respondents by a difference of just over eight percentage points.

Age: Over 50



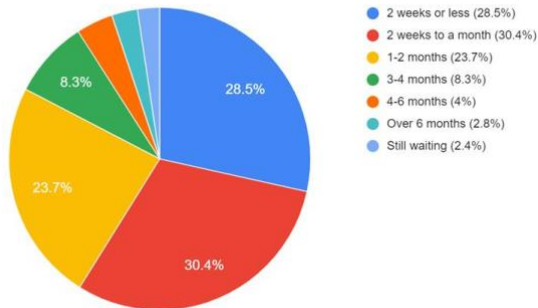
Jobless workers faced unacceptable delays in getting needed benefits while bills piled up and stress increased. Nearly 40% of claimants faced excessive delays in getting their first UI payment, with nearly one-in-six jobless workers facing waits of three months or longer.

Prompt payment is a fundamental requirement of the UI program, recognizing that jobless workers need wage replacement as soon as possible to pay their bills and help stabilize the economy. Because Maine currently has no waiting week, federal rules require that 87% of first payments must be made within 21 days of a claimant’s first week of compensable UI.²⁰ For the last calendar quarter of 2020 through the first

²⁰ 20 CFR §640.5

quarter of 2021 to date, Maine has only made 64.6% of first payments within that required time period—more than 22 percentage points below the required federal standard.²¹

Length of Time to Receive Benefits



Maine is not alone in failing to make prompt payments; in fact, it ranks three percentage points above the U.S. average for the two most recent calendar quarters.²² Importantly, failure to meet this prompt payment standard is not simply a pandemic-related problem. For the last two decades (2000-2020), the average first payment timeliness rate has fallen below the federally required standard in both Maine (81.1%) and the U.S (82.4%)²³ yet these failures have gone unenforced.

Failure to make prompt payments in accordance with federal law is, in part, the result of chronic administrative underfunding leaving states without adequate staff to take claims and make timely payments.²⁴ This is yet another illustration of the governmental neglect that has plagued the UI program for decades, specifically, in this case, the failure of Congress to increase the federal taxable wage base since 1983. In the face of inadequate administrative funding from the federal government, last year, Maine established a state Unemployment Program Administrative Fund to provide funds to hire additional staff.²⁵ While those funds came just in time to provide additional staff desperately needed during the pandemic, it is clear from the responses to this survey, that staffing remains far from what is urgently needed to prevent ongoing and unacceptable delays.

“It took way too long of a time for me to get my payments (8 months) and I had no money left. When I called them kept saying they couldn’t help me until my ticket was answered which took 2 months to create because of their long phone wait times.”

- Female; Customer Service; Piscataquis County

In the majority of cases, employers failed to inform respondents that they might be eligible for UI; sometimes actually discouraging them from applying—both violations of Maine law. Maine law requires that employers give workers a printed notice of how to claim unemployment benefits when they become unemployed.²⁶ Yet more than half (54.3%) of all respondents did not receive that required information.

²¹ U.S. Department of Labor ETA; State Rankings of Core Measures, First payments in 14/21 days. <https://oui.doleta.gov/unemploy/ranking.asp>

²² ibid

²³ <https://oui.doleta.gov/unemploy/ranking/rankingrpt.asp>

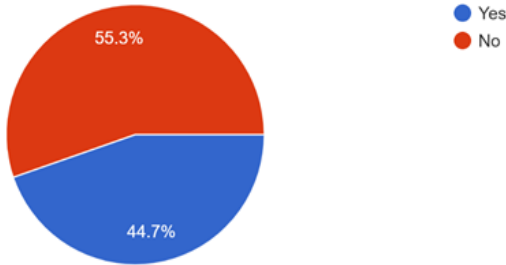
²⁴ Aborn, Mariette: “Administrative Failures Plague State Unemployment Insurance Programs”; Bipartisan Policy Center. July 1, 2020.

<https://bipartisanpolicy.org/blog/administrative-failures-plague-state-unemployment-insurance-programs/>

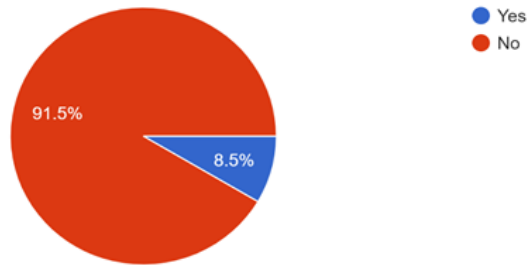
²⁵ Public Law 2020, Chapter 616, Part FF; <http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=HP1516&item=5&num=129>

²⁶ 26 MRSA §1194(1)

When you were laid off or had your hours reduced did your employer tell you that you might be eligible for unemployment benefits?



When you were laid off or had your hours reduced did your employer discourage you from filing for unemployment benefits?



Of even greater concern, almost 1-in-12 respondents reported that their employer actually discouraged them from filing for UI benefits, in direct violation of Maine law.²⁷

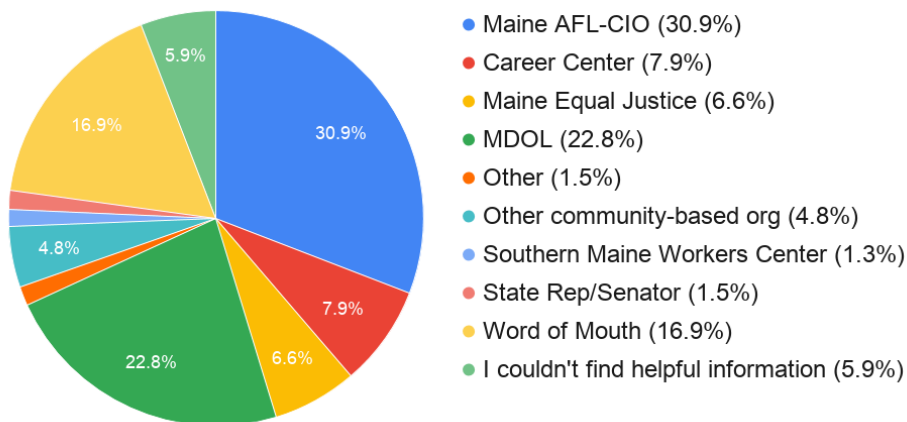
The majority of respondents sought help from trusted sources, other than the Department of Labor, to navigate the UI system. Throughout the pandemic, worker and community groups put aside other pressing responsibilities to help anxious and confused constituents navigate a system intended to be their lifeline when unemployed. The chart below shows the significant role that various groups played in responding to that need.

“Without advice from other people who are also receiving UI benefits, I would absolutely not know how to answer some of the questions from the original filing and weekly certification”

- Female; Delivery Service; Cumberland County

The ad hoc role that these groups played during the pandemic is not unique. In crisis, people often turn to trusted organizations and individuals in their own communities for help navigating unfamiliar

If you had questions about unemployment where did you go to find answers that were most helpful?



²⁷ 26 MRSa §1044 (1)

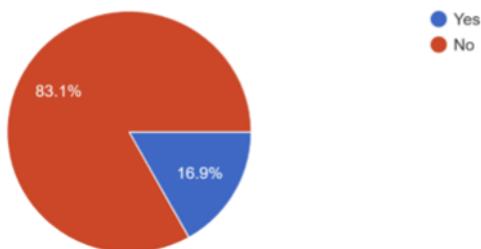
bureaucratic terrain. Responses to the UI survey were filled with heartfelt thanks to members of worker and community groups that made an important difference in their lives.

The navigator model has been a highly effective part of the Affordable Care Act, directing millions of Americans through health plans with complicated eligibility and enrollment processes to get the care they need.²⁸ The Maine Community College System and the Maine Department of Health and Human Services also both use navigators to assist students having difficulty with academic or economic challenges of matriculating through post-secondary education programs.

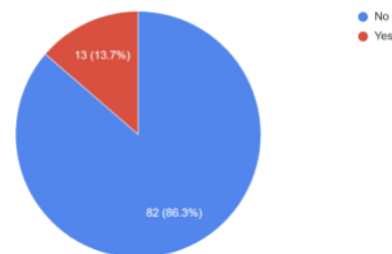
Navigators can play a valuable role in assisting unemployed workers gain access to benefits once the pandemic has ended. The most common reason that unemployed workers do not apply for UI benefits is that they believe they are not eligible. People whose temporary or irregular employment has ended have the least-developed understanding of the UI program and how to apply for benefits.²⁹ Such inaccurate perceptions often prevent unemployed workers who need help the most, from getting benefits to keep a roof over their heads and food on the table. They also contribute significantly to the low UI reciprocity rates in Maine and throughout the nation. A strong navigator program that formalizes and builds on the kind of community support already being provided could assist these workers in better understanding their eligibility for UI, thus playing an important role in increasing flagging reciprocity rates.

UI benefits fail to meet the needs of families with children. Maine law currently provides an additional payment of \$10 per dependent child up to a maximum of 50% of the worker’s weekly benefit amount.³⁰ This child benefit has not increased for over three decades³¹ while the cost of raising a child has increased dramatically over that same period.³² Of UI respondents who received the child benefit (about 1 in 6), the vast majority (82%) stated that it was inadequate to help support their child(ren).

Did you receive additional benefits for a dependent?



Was that amount enough to help support your dependent(s)?



²⁸ “Bracing for an ACA Enrollment Season without Navigators: Risks for Consumers and the Market”; Georgetown University Health Policy Institute, Centers for Families and Children; July 31, 2018. <https://ccf.georgetown.edu/2018/07/31/bracing-for-an-aca-enrollment-season-without-navigators-risks-for-consumers-and-the-market/>

²⁹ Vroman, Wayne. “Unemployment Insurance Recipients and Non-Recipients in the CPS”; Monthly Labor Review; October 2009. <https://www.bls.gov/opub/mlr/2009/10/art4full.pdf>

³⁰ 26 M.R.S.A. §1191 (6)

³¹ Information provided orally by the Maine Department of Labor

³² Ortegren, Francesca; “How the Cost of Raising a Child has Changed Over Time; September 30, 2019. <https://listwithclever.com/research/cost-of-raising-a-child-over-time/>

In February, 2021, a family of four with two dependent children, receiving the average state UI benefit (with no federal PUC enhancement), gets an amount that leaves them 35% below the federal poverty line. Maine has the authority to address this inadequacy; no federal approval is needed for the state to raise these children and their families out of poverty.

The Pandemic Unemployment Assistance Program (PUA) has provided welcome relief to workers historically shut of the UI system forced to leave a job for compelling family reasons.

Workers facing difficult family circumstances, like the loss of child care or transportation, the death of a family member, or other crises are not eligible for regular unemployment benefits in Maine. These are considered “personal”, not “job-related” reasons for leaving and thus disqualify them from receiving UI benefits. This disqualification is applied despite the fact that these workers lost their jobs through no fault of their own.

“I left because my childcare facility closed permanently and when called back to work full time, I did not have full time childcare. I have a two-year-old.”

– Female; Social Worker; Waldo County

NOTE: This person is eligible under the federal PUA Program, but would go without benefits under regular state UI law.

These crises are more common among low-wage workers who are often without the resources needed to readily resolve such emergencies. This exacerbates the low reciprocity rate among low-wage workers described earlier. As women are typically the primary family caregiver, these compelling family emergencies often fall on their shoulders. This is another illustration of antiquated UI policy that has not adapted to meet the needs of today’s workforce. When UI was created in the 1930’s and for some decades thereafter, the typical job-loser was a male breadwinner laid off from a full-time job that he could expect to return to once the economy recovered.³³ As the demographics of the labor market have changed, particularly with the entry of more women workers, outdated eligibility requirements like this one remain,

denying benefits to many women who struggle to balance the demands of work and family.

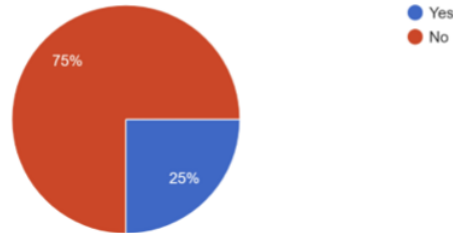


In the chart below, we see that one-quarter of respondents disqualified for leaving a job did so under challenging family circumstances. Under the regular state UI program, these individuals would lose both their jobs and UI benefits since their leaving would be deemed due to “personal” reasons.

³³ “Policy Basics: Unemployment Insurance”; Center on Budget and Policy Priorities, January 4, 2021. <https://www.cbpp.org/research/economy/policy-basics-unemployment-insurance>

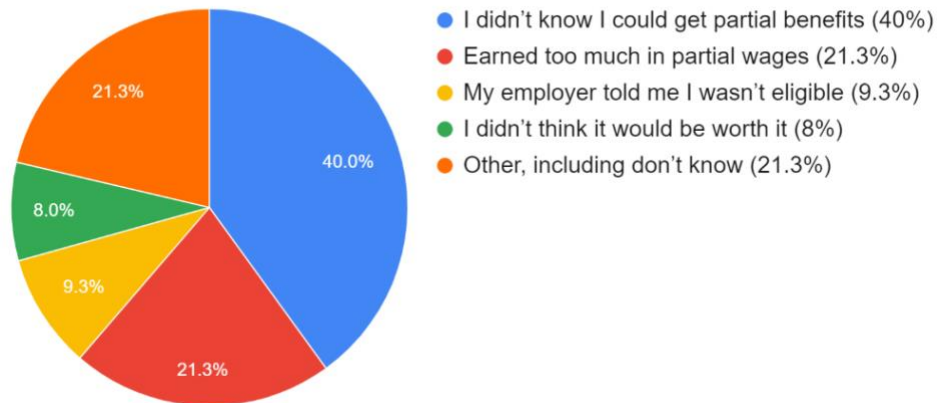
Fortunately, federal PUA temporarily covers these workers if there is a COVID-19 relationship to the reason for leaving. Without PUA coverage we would expect the blue slice of this pie above to be much larger, that is, more people would have been disqualified and left without coverage during the pandemic for leaving work for good personal cause. For example, PUA is helping thousands of women out of work as schools and child care facilities shut down. While such problems have been particularly acute during the pandemic, they are also a reality for many parents in non-pandemic times that may also face the unexpected loss of child care or face other crises that give them no choice but to leave their employment. This is another area that can be corrected by state action so that many families facing such crises without help will have protection from UI when federal funds lapse.

Were you disqualified from receiving benefits for quitting a job, even though you quit for a good personal reason?
24 responses



UI is ill-equipped to protect workers who are increasingly facing part-time and unpredictable work schedules. The ongoing structural shift in the U.S. economy toward more intensive use of part-time and irregular hours and unpredictable scheduling has destabilized earnings for many workers with no commensurate relief from the UI program.³⁴ This trend is often exacerbated during recessions as we have

If you didn't receive partial benefits after your hours were cut why not?



seen in the last year with employers reducing hours in lieu of layoffs to maintain operations. Survey respondents whose hours were reduced but did not receive partial UI benefits were asked “why not.” The largest percent (40%) reported that they simply didn’t know that partial benefits were available. Another

³⁴ Golden, Lonnie. “Still falling short on hours and pay: Part-time work becoming new normal”; Economic Policy Institute; December 5, 2016.

9.3% indicated that their employer told them that they were not eligible, possibly in violation of the state law discussed above.

Together, nearly half of all respondents suffering a reduction in hours either did not know that they could get partial benefits or were discouraged from applying by their employer. One-in-five of those who did apply but did not get benefits, were denied because they “earned too much in partial wages.” Under Maine law a person is only eligible for partial benefits if their wages do not exceed their weekly benefit amount for total unemployment by \$5 or more.³⁵ This means that a person suffering a substantial wage cut, possibly as much of 50% of prior wages, will receive no UI benefits at all to help replace those lost wages. Several states have boosted their partial benefit eligibility and payment levels to better **recognize** the impact of these lost wages and provide a stronger incentive for these workers to stay at their jobs.³⁶

“When hours worked are partial the amount of help you get does not really help. I got a \$10 check one week. I have a son who was 17 during the entire time I was eligible to get unemployment, however I never even put that in the system because it was so hard just to get what I supposed to get for me. I was afraid that if I added his information, it would delay getting my benefit even more. I think I would have received more if I had done that and would not find myself so behind on things now but at the time it was all I could do to get what little I did.”

– Female; School Bus Driver; Kennebec County

Given the increasing trend toward partial and irregular work hours, it is important to look at the experience of workers experiencing an involuntary reduction in hours with no relief from UI to determine what policy responses are needed in this area. Once again, this is an issue within the state’s authority to address. Federal law permits states to determine both eligibility for partial benefits and also determine the amount of partial benefits payable to these workers.



³⁵ 26 MRSA §1043 (17)

³⁶ United States Department Of Labor, Employment and Training Administration; “Comparison of State Unemployment Laws, 2019”; Chapter 3; Table 3-8. <https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/monetary.pdf>

Respondents experiencing the harsh realities of this broken system are best positioned to help reform it. Workers responding to the UI survey were anxious to share their experiences, but even more eager to recommend changes to prevent others from facing these same problems that they had in the future. Two-out-of-five survey respondents (128) offered views in response to the following question, “If you could change one or two things about the Maine Unemployment System what would they be?” There was significant agreement in their recommendations.

“It was stressful to have my claim tied up in a technicality I did not understand, and had no control over. Meanwhile, the steps I was taking to rectify the situation (like submitting the MDOL contact form when phone lines were tied up) felt like they were not getting through to actual people.”

- Male; Education; Lincoln County

“No one who is relatively new to UI understands how to answer questions “correctly”. Questions aren’t really clear, but a “wrong” or questionable answer to the system may set off delay. You see no change on the portal other than issue on file. Then you try to call and for me it took seriously like 3-4 weeks, calling from 8 am to 4:30 non-stop (hang up and redial! over a 100 times a day) to get someone to talk to! UNACCEPTABLE!! It wasn’t until reaching out to state representatives that I got any results and got paid.”

- Female; Cleaner and Restaurant Worker; Hancock County

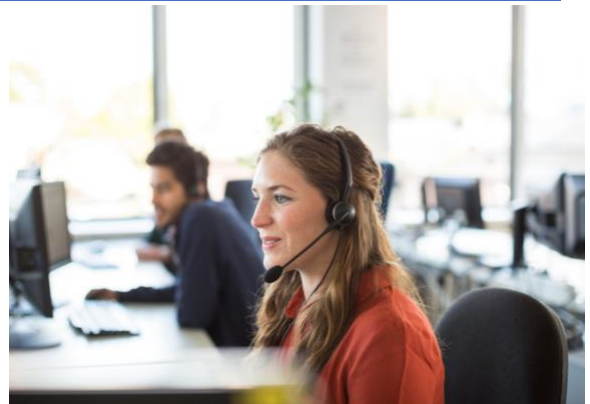
“Unemployment customer service reps frequently told me different and conflicting information. Better training should be given so they are all on the same page giving the same, correct information.”

- Female; Substance Abuse Treatment; York County

“Families are suffering while waiting for claims to process and that needs to change.”

- Female; Retail; Hancock County

The most common recommendation (35 respondents) was to hire more staff to answer calls and make prompt benefit determinations. This is not surprising given the expectation of prompt payment required by federal law, and the widely shared expectation for reasonable response times from those seeking help from a public agency. The next most frequent recommendation (23 respondents) was for improved communications related to program rules and procedures, followed closely by the need for better worker



training to ensure accurate and consistent responses to questions (19 respondents). A significant number of respondents (18) also asked that technology be improved to make the system more accessible and efficient.

“When I initially applied for unemployment I answered one of the questions wrong. I couldn't get anyone on the phone because your hours were too short and it was always busy.

It took 3 hours of waiting in a queue, but I finally was able to talk to someone from the Career Center (I think) through chat on their webpage. She identified the problem with my application, but couldn't fix it and told me to call the phone number for MDOL.

On the assigned date for my last name and using both my phone and my husband's I dialed the number for almost an hour before I finally got through. I then waited for 1.75 hours on hold before getting someone on the phone. They weren't able to help and had to pass me on to a different person who was authorized to make the necessary changes, so I was put on hold again for another hour.

All through this time I had to also try to take care of my toddler who was stuck at home with me. Once I got through to that final person it was fixed and I started receiving my benefits the next week, but the process was grueling and complicated and very frustrating.”

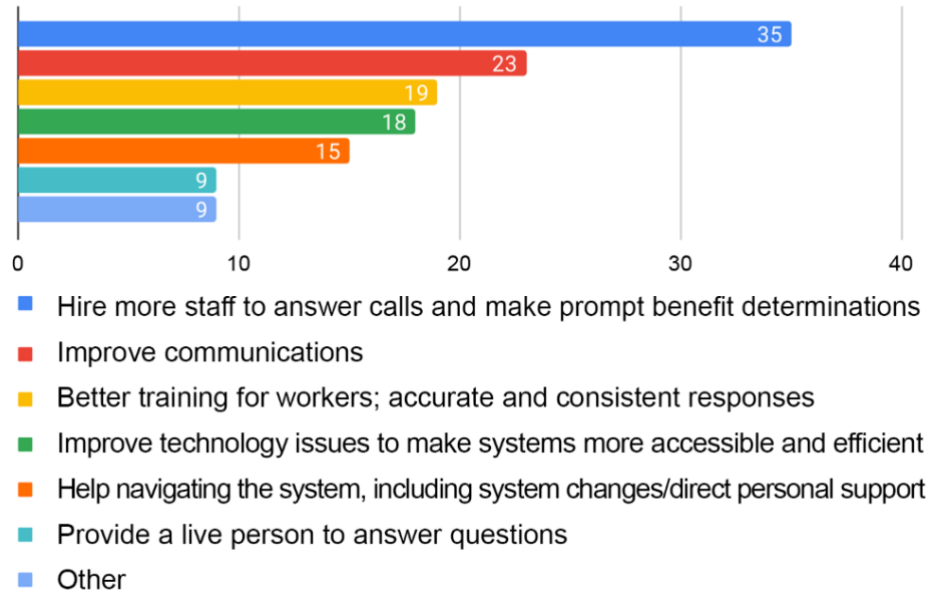
-Female; Archivist; Penobscot County

Here are some of the more common specific technology-related recommendations: (1) make the system more mobile-phone friendly; (2) add phone wait time indicators and a call-back function; (3) establish an autofill function between job search tools and link JobBank and work search questions to eliminate the need to provide redundant information; (4) add a website function that shows the progress of applications; and (5) provide an option for live chat. Nine respondents suggested providing a live person to answer questions.

In the fall of 2020, The Century Foundation and The National Employment Law Project partnered with agencies administering UI in three states and worker advocates within those states to assess efforts to modernize technology systems and improve customer experience. Maine was one of the states included. The Maine evaluation included in-depth discussions with the State agency, worker advocates and other stakeholders, along with focus groups with unemployed workers in Portland and Bangor. It is notable that

many of the same issues addressed by members of these focus groups are mirrored in the concerns raised by survey respondents.³⁷

What Changes Would You Prioritize?



It is important to note that while respondents of the survey reported on here expressed overwhelming frustration about the problems they faced, most recognized those problems as the fault of the system and not Department of Labor staff. This comment exemplifies those sentiments:

“Thank you to the staff at MDOL. I had a difficult and frustrating time, but I know that they were also doing a lot with very little. When I did communicate with them, they were always completely understanding.” – Male, Retail Worker, Sagadahoc County

IV. Summary

The experience of unemployed workers during the Coronavirus pandemic has dramatically underscored the need for a major overhaul of the unemployment insurance system. While this has brought new awareness to many, it has been the reality for increasing numbers of unemployed workers for many years. While the American economy and workforce have changed significantly over the last several decades, the

³⁷ Simon-Mishel, Emsellem, Maurice, Evermore, Michele, LeClere, Ellen, Stettner, Andrew and Coven, Martha; “Centering Workers—How to Modernize Unemployment Insurance Technology”; Philadelphia Legal Assistance; The Century Foundation; The National Employment Law Project; September 2020. https://s27147.pcdn.co/wp-content/uploads/UI-mod-report_FINAL.pdf

UI system has failed to adapt to those changes. This failure has fallen most heavily on low-wage workers; part-time workers; people of color; the long-term unemployed; and those bearing the greatest responsibilities for family caregiving, mainly women.

There is much to be learned from these glaring inadequacies, but also from the success of the unprecedented bipartisan steps taken by Congress during the pandemic to strengthen the UI program—albeit for only the short term. These successful efforts increased benefit reciprocity and wage replacement rates dramatically; they provided extended benefits to help people withstand the long-term unemployment that increasing numbers of workers are facing now, and will continue to face even after the pandemic ends. States must be guided by these important lessons. Just as economic uncertainty outlived the Great Recession, so will it outlive the Coronavirus pandemic as leading economists now predict.

The experiences of workers responding to this survey, along with the other research and data provided in this report, paint a disturbing picture of the weakened state of our current UI system. While technology has been a target of much of the criticism of state UI programs, it would be a mistake to ignore the longstanding structural problems of UI systems. The pandemic experience strongly points to the need for a thorough assessment of the UI program and illustrates the need for reform at both the state and federal levels. It also has proven that with deliberate focus and strong policy measures this system can be transformed into one that provides real economic security for jobless workers and their families, along with more adequate support for local economies dependent on the strength of the continued spending power of these workers.

V. Acknowledgments

Our first and most profound thanks must go to the 321 Maine workers who took the time to share their experiences during an emotional and chaotic times in their lives so that others might avoid those same hardships in the future.

Thanks too, to Andy O'Brien from the Maine AFL-CIO, Suzy Young, Maine Unemployment Assistance Facebook group co-manager, and Sue Hamlett at Maine Equal Justice for their tireless efforts helping people navigate the UI system during the pandemic, and encouraging these workers to share their experiences through this survey.

Thank you to Jackie Stearns from Maine Equal Justice who generously contributed many hours formatting the survey, organizing the resultant data, and creating charts and graphs to make the findings most accessible.

Thank you to Matt Schlobohm from the Maine AFL-CIO and Chris Hastedt from Maine Equal Justice for their valuable consultation on historical and policy matters related to the unemployment compensation program. And finally, thanks to Robyn Merrill from Maine Equal Justice for her careful editing of the final report.