

Unemployed Workers Set to Lose Federal Pandemic Unemployment Compensation

July 2020

Unemployed New Yorkers are scheduled to receive their final Federal Pandemic Unemployment Compensation (FPUC) checks on July 26, 2020. FPUC was enacted as part of the CARES Act and the legislation set FPUC's expiration for the end of July.

The unemployment insurance (UI) expansions included in the CARES Act were quick and appropriate responses to the economic fallout of the coronavirus pandemic. The expansions were intended to help tens of millions of workers across the nation who were laid off due to mandatory business shutdowns ordered to protect public health.

The Retail and Accommodation and Food Service industries, which represent a significant portion of overall employment, were particularly hard hit, as were workers in the gig economy and independent contractors. The CARES Act contained multiple provisions to address the needs of laid off workers, but FPUC proved to be a powerful tool to prevent people and families from experiencing severe economic harm.

To date, New York State residents have received over \$13 billion in FPUC benefits, representing a \$600 weekly payment to the state's millions of unemployed workers, excluding undocumented workers. This compensation has helped residents across New York State and the nation avoid what would otherwise have been much more severe economic harm brought about by the coronavirus pandemic.

Had it not been for FPUC, a laid off minimum wage worker living in New York City could only expect to receive a maximum weekly benefit of \$276 through regular unemployment insurance (UI) benefits. This same worker in Upstate New York would receive only \$217. Given that the state is still experiencing an affordable housing crisis, New York's regular UI benefits are simply too meager to help most laid off workers address their basic needs.

The prolonged nature of the pandemic, coupled with the recent spikes in COVID-19 diagnoses, necessitates that Congress take action to extend FPUC in the next package of legislation.

Recommendations

- Create appropriate state-level labor market benchmarks to guide the level of federal funding.
- Extend the FPUC beyond July 31, 2020 until the labor market rebounds.

By Cara Long Corra

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The Fiscal Policy Institute is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers. FPI's Immigration Research Initiative looks at immigration issues in New York State, and around the country.