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THE NEW YORK STATE ASSEMBLY AND SENATE BOTH SUPPORT creating a fund to provide unemployment insurance to workers who are excluded from the unemployment insurance system, primarily undocumented immigrants and people leaving incarceration during the Covid-19 pandemic. Both houses included \$2.1 billion in their one-house budgets this week, the starting points for negotiating the final state budget.

This is an impressive commitment to a critical priority. However, matching the minimum level of benefits that other unemployed New Yorkers receive and extending the aid through the end of 2021 would require \$3.5 billion: \$3.4 billion in aid, and \$110 million for administration and outreach. (Figure 1.)

This estimate assumes payments would cover the full period of the Covid pandemic, beginning in March of 2020 and continuing through the end of 2021. Benefits for this analysis are set to match the minimum benefits for other workers. That was \$750 for March to July of 2020—the minimum benefit of about \$150 per week plus the \$600 boost the federal government added in the early part of the pandemic. And it has been \$450 since then: the roughly \$150 weekly minimum plus \$300 per week in a federal boost. This analysis fills in for a gap in the federal boost in unemployment benefits that occurred between September and December of 2020, keeping the rate at \$300 for the excluded workers fund. In addition, the federal government has not yet indicated whether the added unemployment benefits will continue after September 6 of this year. This estimate assumes they will be continued until December 31.

Cost to Cover Excluded Workers

Matching Minimum Benefit
March 2020 through December 2021

| | Amount Needed in NY State Budget |
|-----------------------------|----------------------------------|
| Undocumented | \$2.35 billion |
| Formerly Incarcerated | \$1.04 billion |
| Total Benefits | \$3.4 billion |
| Administration and Outreach | \$110 million |
| Total for Program | \$3.5 billion |

FIG. 1 Source: Fiscal Policy Institute analysis. See Methodology for details.

Benefit to Individual Workers

Matching Minimum Benefit
March 2020 through December 2021

| | |
|---|-----------------|
| Weekly Benefit Mar. to Jul. 2020 | \$750 |
| Weekly Benefit Aug. 2020 to Dec. 2021 | \$450 |
| Maximum Individual Benefit Mar. 2020 to Mar. 2021 | \$28,600 |
| Maximum Individual Benefit Apr. to Dec. 2021 | \$17,500 |
| Average Individual Benefit (24 weeks) | \$12,600 |

FIG. 2 Source: Fiscal Policy Institute analysis. See Methodology for details.

The result would be a substantial, government-sized relief for excluded workers who have been unemployed for part or all of the pandemic. The average benefit to unemployed excluded workers is estimated to be \$12,600, based on the average period of time for which other workers receive unemployment benefits in the period since the beginning of the pandemic, 24 weeks. The maximum benefit anyone could receive, if they were unemployed for the entire time covered, would be \$28,600 for the first year of the pandemic, March 2020 through March 2021, and \$17,500 for April through December of 2021. (Figure 2.)

In all, the Fiscal Policy Institute estimates that 274,000 people would benefit from the excluded worker fund in the course of the 20 months from March 2020 to December 2021, including 87,000 people leaving incarceration and 187,000 undocumented immigrants. The fund would benefit far more people than would be unemployed at any one time; some beneficiaries will have lost a job early in the pandemic and found a new one later, and others will lose their jobs as the recession wears on. The benefit will help both those who are temporarily unemployed and those who cannot work throughout the full 20 months. (See figure 3 for details on who would benefit.)

The fund would have an impact in every region of the state. There are 173,000 people who would benefit in New York City, 33,000 on Long Island, 40,000 in the Hudson Valley, and 28,000 in Northern and Western New York. Undocumented workers make up a bigger share

How Many New Yorkers Would Benefit from the Excluded Worker Fund?

| | Number of People Leaving Incarceration Who Would Benefit | Estimated Number of Undocumented Immigrants Who Would Benefit | Total In Region Who Would Benefit |
|--------------------------------|--|---|-----------------------------------|
| New York City | 44,000 | 129,000 | 173,000 |
| Bronx | 11,000 | 24,000 | 35,000 |
| Brooklyn | 16,000 | 32,000 | 48,000 |
| Manhattan | 9,000 | 19,000 | 28,000 |
| Queens | 7,000 | 51,000 | 58,000 |
| Staten Island | 1,000 | 3,000 | 4,000 |
| Long Island | 7,000 | 26,000 | 33,000 |
| Nassau County | 3,000 | 13,000 | 16,000 |
| Suffolk County | 4,000 | 13,000 | 17,000 |
| Hudson Valley | 12,000 | 28,000 | 40,000 |
| Westchester County | 2,000 | 13,000 | 15,000 |
| Northern and Western NY | 24,000 | 4,000 | 28,000 |
| Buffalo Metro Area | 6,000 | 1,000 | 7,000 |
| Rochester Metro Area | 7,000 | 1,000 | 8,000 |
| Syracuse Metro Area | 4,000 | 1,000 | 5,000 |
| New York State | 87,000 | 187,000 | 274,000 |

FIG. 3 Source: Fiscal Policy Institute analysis. Estimates at the county and metro area levels are based on multiple assumptions and have a wider margin of error. See Methodology for details.

of beneficiaries in the downstate area (and the Hudson Valley), and people leaving incarceration make up a bigger share upstate.

Finally, while the principal goal of the excluded workers fund is to help families through a wrenching economic time, there are also ripple effects throughout the economy.

There are public health advantages in making it possible for workers to stay home rather than be pressed to make a choice between their health and their income. And there are concrete regional economic benefits. When unemployed workers have unemployment compensation, they use it to pay their rent, buy gas, and purchase food at local stores. The funds serve both as a benefit to individuals and as a stimulus to local economies. That means a \$346 million boost to Northern and Western New York—including \$87 million to the Buffalo metro area, \$99 million to the Rochester metro area, and \$62 million to the Syracuse metro area. It is a \$494 million boost to the Hudson Valley, including \$185 million to Westchester County alone. It is \$408 million to Long Island, with \$198 million to Nassau and \$210 million to Suffolk. And it is a \$2.1 billion boost to New York City.

Unemployment insurance is a major program that sustains workers through hard times in any period, and it has been particularly crucial during the pandemic. For workers covered by the current programs—Unemployment Insurance, Pandemic Unemployment Assistance, and Pandemic Emergency Unemployment Compensation, the total amount already received in unemployment insurance from March 2020 through February of 2021, the most recent data available, is \$60 billion. Federal aid is currently slated to expire on September 6 but if it is extended to the end of the year, as would match the benefits assumed in this analysis, the Fiscal Policy Institute calculates that the benefit from the beginning of the pandemic would total \$117 billion, using data from The Century Foundation’s invaluable [Unemployment Insurance Dashboard](#). **That puts the \$3.5 billion proposal for excluded workers into perspective: \$3.5 billion is three percent of \$117 billion.**

Regional Economic Benefit

| | |
|-------------------------|---------------|
| New York City | \$2.1 billion |
| Bronx | \$433 million |
| Brooklyn | \$593 million |
| Manhattan | \$346 million |
| Queens | \$717 million |
| Staten Island | \$49 million |
| Long Island | \$408 million |
| Nassau County | \$198 million |
| Suffolk County | \$210 million |
| Hudson Valley | \$494 million |
| Westchester County | \$185 million |
| Northern and Western NY | \$346 million |
| Buffalo Metro Area | \$87 million |
| Rochester Metro Area | \$99 million |
| Syracuse Metro Area | \$62 million |
| New York State | \$3.4 billion |

FIG. 4 Source: Fiscal Policy Institute analysis. See Methodology for details.

Methodology

The number of undocumented immigrants in the New York State labor force, 489,000, is taken from the [Center for Migration Studies estimates](#), imputed from the 2018 American Community Survey. The unemployment rate for undocumented immigrants is assumed for this analysis to be twice the overall unemployment rate. The overall rate is drawn from the Bureau of Labor Statistics. Unemployment from April to July of 2020 averaged 15.3 percent, and it was 8.4 percent the most recent time period for which data is available, November 2020. The estimated unemployment rate for undocumented immigrants thus ranges from 30 percent to 16 percent. The analysis assumes, conservatively, that the unemployment rate will stay at eight percent through the end of 2021. The analysis assumes that there is a 50 percent take-up rate among undocumented immigrants eligible for this benefit, in other words half of people eligible for the benefit apply for and receive it.

The regional estimates of undocumented immigrants are based on three further sources. New York City borough-level estimates were provided to the Fiscal Policy Institute by the New York City Mayor's Office of Immigrant Affairs. Metro-areas estimates of undocumented immigrants are derived by taking estimates of immigrants 16 years and older from the Center for Migration Studies, based on the 2015 5-year data from the American Community Survey, as previously provided to the Fiscal Policy Institute. The Westchester, Nassau, and Suffolk County estimates are based on total undocumented population estimates from Migration Policy Institute, using ACS 2018 5-year data. In each case the data sets were used to determine a region's share of the state or larger regional total, and applying that ratio to the overall estimate for the state.

FPI's estimate for the number of people released from incarceration begins by calculating the share of people in state or federal prison who are released in a given year. The rate, 47 percent, is derived by dividing the total number of annual releases in New York State by the annual total prison population found in a 2018 Bureau of Justice Statistics report. This percentage was applied to estimates of all incarcerated groups, not only people in prison, from a 2018 Prison Policy Initiative report, [States of Incarceration](#), by Peter Wagner and Wendy Sawyer. While the rate of release from jails might be different from the rate of release from prison, the large majority of people who are incarcerated in New York State are in state or federal prison, as that report shows. FPI calculates an average monthly rate of release, and assumes that releases are evenly distributed through the time period considered. FPI begins counting people released from incarceration six months before March of 2020 on the assumption that few people released in the period immediately prior to the pandemic are likely to have found a job by the time the pandemic hit. FPI assumes that the unemployment rate for people leaving incarceration is six times that of the overall average. That gives a rate of 92 percent during the spring of 2020, and 54 percent in the subsequent periods. That is roughly in line with the Fiscal Policy Institute's previous assumption that very nearly all people released during the early days of the pandemic would

be unemployed, and with the findings that in the period prior to the pandemic people released from incarceration had an unemployment rate of 45 percent, as reported in the study “[Work and Opportunity Before and After Incarceration](#),” by Adam Looney and Nicholas Turner, published by the Brookings Institution in 2018. FPI assumes a take-up rate of 75 percent for people leaving incarceration—higher than for undocumented immigrants while recognizing that no program has 100 percent participation.

The regional breakdown of people released from incarceration is based on a [unique data set from 2010 collected by the Prison Policy Initiative](#). The Fiscal Policy Institute’s analysis assumes that the number of people released is proportionate to the number of people held in prison, and that the regional pattern of where people come from is similar for those in prison and those in other forms of incarceration.

The minimum benefit level for unemployment assistance prior to the federal boost is approximately \$150 per week—that is a rough midpoint between the minimum Pandemic Unemployment Assistance benefit for full-time workers, which was [\\$182 from in mid 2020](#), and the minimum state unemployment insurance for full-time workers, which was [\\$108 in January 2021](#).

Estimating the total benefits paid out under Unemployment Insurance, Pandemic Unemployment Assistance, and Pandemic Emergency Unemployment Compensation programs takes the number of continuing claims in each program by week and sums the total for each of the periods of benefit levels. Using data from The Century Foundation’s [Unemployment Insurance Dashboard](#), the analysis takes the aggregate number of continuing claims and multiplies by the average benefit level for that period, then multiplies again by 88 percent to estimate the amount of that total that is paid in benefits. The Fiscal Policy Institute calculates as far as there is data, through February 2021, and then projects based on the recent claims to the end of 2021, and assumes that the added benefit of \$300 per week is continued to the end of the year in order to match assumptions for the calculation of the excluded workers fund.

By: David Dyssegaard Kallick

David Dyssegaard Kallick is Deputy Director of the Fiscal Policy Institute and Director of FPI’s Immigration Research Initiative.

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