

Jobless aid needed more than ever, yet it is under assault again in Olympia

John Burbank; News Tribune columnist

It is close to six months since the attacks of Sept. 11, and for our state, there is no end in sight to the recession. Washington's unemployment rate is the second-highest in the nation after Oregon. In Pierce and Kitsap counties and the Tri-Cities area, the unemployment rate exceeds 7 percent.

This translates to more than 26,000 workers in Pierce County, more than 6,000 workers in Kitsap County and more than 8,000 workers in the Tri-Cities area who are officially unemployed and looking for work. The federal government still has not acted to extend unemployment benefits, so these benefits will run out in about a month for those workers laid off in September.

Unemployment benefits are crucial not only to the families of the workers receiving this modest income but also to the small businesses in their communities that rely on their patronage. And unemployment compensation is the most important tool the state has to fight recession.

When the economy is doing well, the unemployment insurance trust fund builds up a big reserve. In fact, as of Dec. 31, 2001, this reserve was \$1.75 billion. The premiums are designed so that those companies that have a history of high layoffs pay proportionally more per worker into the trust fund. The trust fund then pays the benefits that are due to workers laid off through no fault of their own.

It is a fair and good system, part of the New Deal package of programs to stabilize the economy and guarantee some sort of economic security for workers. But over the years, unemployment benefits have been whittled away, with proportionally fewer and fewer people eligible for compensation.

In our state, only about 47 percent of unemployed workers receive benefits. And the average weekly benefit is \$45 less than the poverty rate for a family with one parent and two kids. Plus, laid-off workers looking for part-time work are not eligible for unemployment compensation.

But instead of addressing the needs of unemployed workers, word is leaking out of Olympia that the business community may be looking for a way to cut its unemployment compensation premiums. These very premiums were reduced by the Legislature just two years ago. Before the Legislature again consents to this request, it should examine the already incomplete coverage that unemployment insurance provides.

For example, the Legislature could vote to make benefits available for laid-off workers who need to work part time. These people are locked out of benefits now. The Legislature could also increase trust fund moneys going to worker retraining.

In 2000 the state allocated \$80 million to enable workers in declining industries to train for jobs in expanding industries. But now there is not enough funding to match the increase in laid-off workers. So instead of qualifying for unemployment compensation while retraining, workers will be put on a waiting list, forced to sit idle while their economic future hangs in limbo.

We all have given up on the federal government to provide health care benefits for laid-off workers in the

aftermath of Sept. 11. But that doesn't mean this problem is solved. No, it just puts more people in untenable situations where their health and the health of their families are jeopardized. For the cost of \$5 million a month, or about three-thousandths of the reserve fund, the Legislature could provide a sliding-scale subsidy to those unemployed workers who need health insurance to enable them to enroll in the Basic Health Plan.

These proposals do two things: They help provide some economic security to workers who find themselves jobless in the trough of the recession, and they update the unemployment insurance system to meet the needs of workers in the 21st century.

So before we give away the trust fund to business, we must remember that the paramount purpose for unemployment insurance is to ensure economic security of unemployed workers and stability for their communities. This, and not corporate profits, must come first.

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