

# Extending unemployment insurance to striking workers would cost little and encourage fair negotiations

**Blog** • By Daniel Perez • January 29, 2024

Unions and collective action have long served as a vehicle for **ensuring prosperity** for working families and creating a **more equal economy**. Despite these critical functions, workers engaged in collective action, like strikes, have historically been barred from accessing safety net programs like unemployment insurance (UI). In a welcome development, state lawmakers are beginning to rethink this convention, recognizing the dual roles of UI in stabilizing the economy and unions in securing broad-based economic growth.

## **A growing number of states are proposing legislation to extend unemployment insurance to striking workers**

In just the past two years, lawmakers in nine states have introduced legislation aimed at granting or enhancing striking workers' access to UI. As shown in **Table 1**, New York and New Jersey are currently the only two states where striking workers can apply for UI benefits following a 14-day waiting period. This month, New York legislators proposed a further reduction to seven days.

However, not all legislative efforts have been successful. The Connecticut Senate rejected a bill that would have permitted striking workers to access UI after 14 days, while California Governor Gavin Newsom vetoed a similar bill that passed in the state legislature. Presently, Massachusetts and Pennsylvania legislators are considering laws with 30-day waiting periods, Illinois and Ohio are considering bills with 14-day waiting periods, and Washington is considering a bill with a seven-day waiting period.

Collective action—such as going on strike—is one of the most effective means to counter the **inherent power imbalance** between workers and employers. But the decision to strike is fraught with risk. U.S. labor law offers limited protections to striking workers and **excludes** many occupations from the right to strike at all. When workers do strike, their paychecks stop and employers can cut benefits—including health coverage for their entire families. In some cases, striking workers can be permanently replaced and lose their job altogether. As such, the decision to walk off the job is typically a measure of last resort, exercised only after workers have exhausted all other avenues of negotiation.

## **Extending UI to striking workers is good economics and consistent with the program's goals**

The U.S. unemployment insurance system was established following the Great Depression, amid a period of widespread joblessness. It is **intended** to offer a financial lifeline to jobless workers, supporting them through times of economic turmoil, or until they find work that provides adequate pay and **aligns with their skills** and circumstances. In this way, a strong UI system provides workers enough cushion to navigate hardships and find the *right* job, not just the first job available.

UI is also a critical support for macroeconomic health. UI dollars help keep local economies running during periods of widespread unemployment and economic turmoil.

Table 1

## A growing number of states are proposing legislation to extend unemployment insurance to striking workers

State legislation making striking workers eligible for unemployment insurance, 2018–2024

| State         | Bill number         | Year | Bill details  | Status                       |
|---------------|---------------------|------|---|------------------------------|
| California    | SB 799              | 2023 | Workers eligible for UI if on strike for more than 14 days                    | Vetoed                       |
| Connecticut   | SB 938              | 2023 | Workers eligible for UI if on strike for more than 14 days                    | Introduced; Failed in Senate |
| Illinois      | HB 4143             | 2023 | Workers eligible for UI if on strike for more than 14 days                    | Introduced                   |
| Massachusetts | S1172               | 2023 | Workers eligible for UI if on strike for more than 30 days                    | Introduced                   |
| New Jersey    | A 3861              | 2018 | Workers eligible for UI if on strike for more than 30 days                    | Enacted                      |
|               | A 4772              | 2023 | Reduced UI waiting period from 30 days to 14 days                             | Enacted                      |
| New York      | S 4573              | 2019 | Reduced UI waiting period from 7 weeks to 14 days                             | Enacted                      |
|               | A 1443              | 2024 | Reduces UI waiting period from 14 days to 7 days                              | Introduced                   |
| Ohio          | SB 180              | 2023 | Allows striking workers to apply for up to 4 weeks of retroactive UI benefits | Introduced                   |
|               | Bill number pending | 2023 | Workers eligible for UI if on strike for more than 14 days                    | Pending introduction         |
| Pennsylvania  | HB 1481             | 2023 | Workers eligible for UI if on strike for more than 30 days                    | Introduced                   |
| Washington    | HB 1893 / SB 5777   | 2024 | Workers eligible for UI if on strike for more than 7 days                     | Introduced                   |

Source: Author's analysis of state legislation.

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And by allowing workers to find the jobs best suited for their skills, it helps maximize the long-run productivity of the workforce.

Making striking workers eligible for UI is, therefore, both good economics and consistent

with the program’s mandate. It would mitigate some of the immediate economic risk to workers and their families, keep dollars flowing to communities where a strike is taking place, and ensure striking workers can negotiate a fair contract with their employer.

Some might be concerned that workers would be more inclined to strike if they could rely on unemployment insurance. This fear is unfounded. First, there is **no U.S. state** where workers can afford basic necessities with current UI benefit levels (a fact that speaks to the need for **long-overdue reforms** to the UI system). But even with a more robust unemployment insurance system, allowing striking workers to collect benefits might actually lead to fewer strikes. If employers knew that workers could collect UI when involved in prolonged labor disputes, it would incentivize more earnest negotiations. It would help prevent scenarios where **employers use their typically much larger economic resources to outlast workers** while either refusing to bargain in good faith or presenting a “final offer” they know workers are likely to reject, a strategy that currently undermines the effectiveness of collective bargaining. Making UI available to striking workers is one step lawmakers can take to help level the playing field and ensure a fairer negotiation process.

## **Extending UI to striking workers would provide meaningful benefits with little-to-no impact on state UI systems**

In several states, proposals to extend unemployment insurance to striking workers have faced **opposition**, primarily over concerns about the potential financial burden on state UI funds. However, analysis of strike and UI claims data shows there is no basis for such concerns. **Table 2** compares strike participants with UI claimants from January 2022 to November 2023. In a typical month, the average number of striking workers eligible for UI under proposed legislation is significantly lower than the number of workers who file UI claims caused by typical turnover in the labor market. When comparing with the average monthly ongoing UI claims—a more reliable measure of approved and paid claims—striking workers would comprise only between 0% and 1.2% of all monthly claims in each state.

But even this is an overestimate, because not everyone eligible for UI applies for benefits. Historically, unemployment insurance has been underutilized, and this problem has only **worsened** in recent years. One **study** on disparities in UI reciprocity revealed that union members and individuals in states with historically higher reciprocity rates tended to be better informed about UI eligibility, and thus were more likely to apply if they lost their job. Yet despite the tendency to be better informed, only 55% of unemployed union members who were eligible for UI actually filed for benefits compared with 38% of non-union members. Thus, it would be wrong to assume that all eligible striking workers would utilize UI.

Further, lawmakers should consider shortening the waiting periods required for striking workers to access UI. **Figure A** shows that the vast majority of strikes are short-lived, with 86% of strikes ending within 14 days and 92% ending within 30 days, according to data from the Cornell ILR School. This timeframe is critical because it often falls before the

Table 2

## In every state, striking workers would account for only a small percentage of monthly unemployment claims

Monthly average number of striking workers compared with typical initial and continuing UI claims by state, January 2022–November 2023

| State         | UI eligibility waiting period | Estimated monthly average striking workers eligible for UI | Monthly average initial UI claims | Monthly average continued UI claims | Estimated striking workers as a share of monthly initial UI claims | Estimated striking workers as a share of monthly ongoing UI claims |
|---------------|-------------------------------|--|-----------------------------------|-------------------------------------|--|--|
| California    | 14 days                       | 2,303  | 43,752                            | 361,373                             | 5.3%   | 0.6%   |
| Connecticut   | 14 days                       | 76   | 3,763                             | 24,238                              | 2.0%   | 0.3%   |
| Illinois      | 14 days                       | 54   | 9,393                             | 87,067                              | 0.6%   | 0.1%   |
| Massachusetts | 30 days                       | 2  | 4,450                             | 61,395                              | 0.1%   | 0.0%   |
| New Jersey    | 14 days                       | 24   | 8,588                             | 87,486                              | 0.3%   | 0.0%   |
| New York      | 7 days                        | 124  | 16,199                            | 152,876                             | 0.8%   | 0.1%   |
| Ohio          | 14 days                       | 74   | 11,279                            | 42,672                              | 0.7%   | 0.2%   |
| Pennsylvania  | 30 days                       | 78   | 10,165                            | 82,847                              | 0.8%   | 0.1%   |
| Washington    | 7 days                        | 540  | 5,101                             | 46,379                              | 10.6%  | 1.2%   |

**Note:** Strike data refer to individuals who participated in strikes in the 23 months between January 2022 and November 2023. Ongoing strikes and strikes that concluded after November 27th, 2023 are not included in this sample. Multi-state strikes are not included which results in some undercount. See Appendix Table B for all omitted multi-state strikes.

**Source:** Author's analysis of state unemployment insurance weekly claims data from U.S. Department of Labor, [Employment and Training Administration](#), and strike participant data from the Cornell ILR School, [Labor Action Tracker](#), January 2022–November 2023.

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eligibility waiting period for UI benefits in many proposed state bills. This trend suggests the likelihood of striking workers meeting the criteria to file for UI is relatively low, especially in states with lengthy waiting periods. And while fewer workers accessing UI means smaller costs to state and employer UI funds, it also means many workers and their families might not be able to access this valuable lifeline when they need it most.

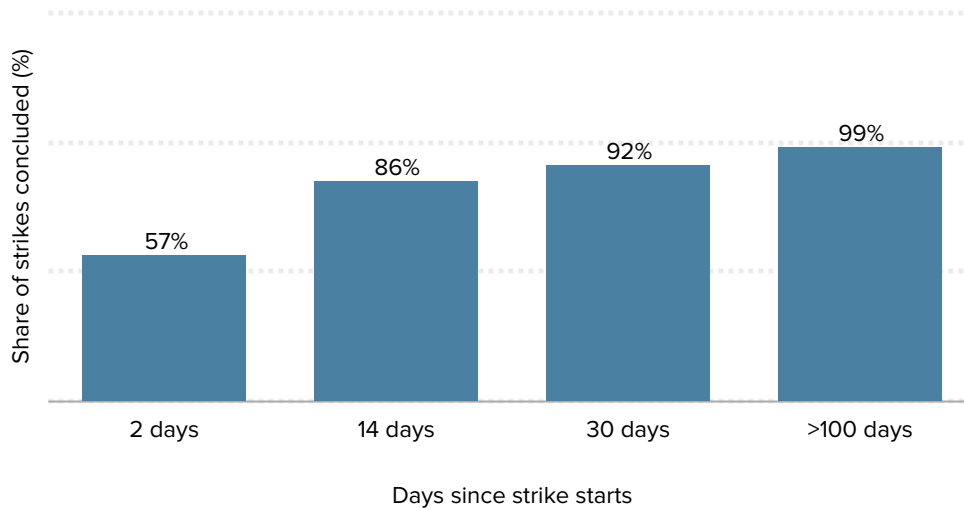
**Table 3** presents a detailed cost analysis of proposed legislative changes for striking workers' access to unemployment insurance, finding that the financial impact of extending UI to striking workers is negligible in the broader context of state UI expenditures. I consider four scenarios, each based on different assumptions.

First, to estimate the weekly cost of UI for striking workers, I calculate the product of the number of potentially eligible striking workers in each state, the typical state UI reciprocity rate, and the average weekly UI benefit. Then, I factor in the average duration of strikes that meet or exceed the proposed eligibility waiting period, assuming this represents the average strike length.

Figure A

## Nearly all labor strikes are over in 14 days or less

Duration of U.S. labor strikes, January 2022–November 2023



**Source:** Author's analysis of strike data from the Cornell ILR School, [Labor Action Tracker](#), January 2022–November 2023.

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Next, based on research suggesting union members are more likely to apply for UI, I hypothesize a 20-percentage-point higher application rate among unionized workers compared with their non-union counterparts. I then estimate an unlikely scenario where 100% of eligible striking workers apply for and receive UI benefits.

Finally, I consider a scenario where 100% of eligible striking workers apply for UI and strikes last an additional four weeks beyond the average. In each scenario, the projected monthly UI payments to striking workers are minuscule compared with the average monthly benefits paid to workers across each state.

Table 3

## Extending UI to striking workers would mean small costs for states but large gains for workers

Average monthly UI expenditures and estimated UI claims by striking workers, January 2022–November 2023

| State         | UI eligibility waiting period | State average strike duration | Average duration of strikes that meet/exceed eligibility waiting period | Estimated monthly striking workers eligible for UI | State UI reciprocity rate, 2023 | State average weekly UI benefit | Estimated UI to be paid      |   |                         |  | Current average monthly statewide benefits paid |
|---------------|-------------------------------|-------------------------------|---|--|---------------------------------|---------------------------------|------------------------------|---|-------------------------|--|---|
|               |                               |                               |   |  |                                 |                                 | At current reciprocity rates | Assuming higher UI uptake by union members (+20ppt) | Assuming 100% UI uptake | Assuming strikes last 4 weeks longer than normal and 100% uptake |   |
| California    | 14 days                       | 8 days                        | 7 weeks   | 2303   | 42.6%                           | \$352                           | \$2,576,000                  | \$3,785,000   | \$6,045,000             | \$9,288,000  | \$471,110,000                                   |
| Connecticut   | 14 days                       | 8 days                        | 4 weeks   | 76   | 37.3%                           | \$434                           | \$43,000                     | \$66,000  | \$116,000               | \$248,000  | \$41,012,000                                    |
| Illinois      | 14 days                       | 10 days                       | 5 weeks   | 54   | 31.2%                           | \$467                           | \$39,000                     | \$64,000  | \$124,000               | \$225,000  | \$143,295,000                                   |
| Massachusetts | 30 days                       | 6 days                        | 7 weeks   | 2  | 60.7%                           | \$636                           | \$7,000                      | \$9,000   | \$11,000                | \$18,000   | \$151,494,000                                   |
| New Jersey    | 14 days                       | 11 days                       | 5 weeks   | 24   | 49.3%                           | \$540                           | \$29,000                     | \$41,000  | \$59,000                | \$110,000  | \$178,354,000                                   |
| New York      | 7 days                        | 9 days                        | 6 weeks   | 124  | 40.0%                           | \$386                           | \$109,000                    | \$163,000   | \$272,000               | \$463,000  | \$214,649,000                                   |
| Ohio          | 14 days                       | 18 days                       | 5 weeks   | 74   | 21.1%                           | \$440                           | \$33,000                     | \$64,000  | \$156,000               | \$286,000  | \$58,332,000                                    |
| Pennsylvania  | 30 days                       | 10 days                       | 8 weeks   | 78   | 35.3%                           | \$427                           | \$99,000                     | \$155,000   | \$279,000               | \$413,000  | \$122,906,000                                   |
| Washington    | 7 days                        | 3 days                        | 2 weeks   | 540  | 32.1%                           | \$631                           | \$170,000                    | \$276,000   | \$530,000               | \$1,894,000  | \$101,844,000                                   |

**Note:** Strike data refer to individuals who participated in strikes in the 23 months between January 2022 and November 2023. Ongoing strikes and strikes that concluded after November 27th, 2023 are not included in this sample. Multi-state strikes are not included which results in some undercount. See Appendix Table B for all omitted multi-state strikes.

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## State lawmakers can bolster collective action by extending UI to striking workers

In the past few years, the importance of collective bargaining has commanded the national spotlight as workers seek to improve working conditions and reverse decades of stagnating wages and [growing income inequality](#). After threatening a nationwide strike, UPS workers secured [heat safety](#) measures like air conditioning in delivery vehicles, additional paid holidays, limitations on workplace surveillance, and [more](#). In October 2023, United Auto Workers (UAW) ended their 46-day strike [after securing](#) 25% wage increases, improved benefits, union coverage expanded to non-union EV plants, and the right to strike over plant closures. During the initial waves of COVID-19, workers in various industries—from meat processing plants ([Georgia, Nebraska, North Carolina](#)) to retail giants like [Amazon](#)—used strikes to secure hazard pay and improved safety measures.

With the role of unions in promoting workers' rights and economic equality becoming increasingly salient, it is no surprise to see growing numbers of [union election petitions](#) and a [renewed surge in strike activity](#). However, under existing weak and outdated labor laws, workers attempting to unionize or negotiate a fair contract still face significant power imbalances and obstacles. Expanding unemployment insurance to striking workers can help rebalance this equation. In fact, a 2020 [survey revealed](#) that workers who had high confidence in their ability to access UI felt more empowered to join or form unions and were less fearful to engage in collective action to address health and safety concerns.

Thus, expanding UI to striking workers could provide them with the critical leverage they need to improve their working conditions. Lawmakers should seize this opportunity to encourage fairer negotiations between employers and employees, while ensuring workers can act collectively when needed.

*The author thanks Johnnie Kallas and the Cornell ILR School for sharing data that comprise the [Labor Action Tracker](#).*



## Number of striking workers who would be eligible for unemployment insurance under select state legislation, January 2022–November 2023

| State         | Waiting period | Total striking workers eligible for UI |
|---------------|----------------|--|
| California    | 14 days        | 52,980                                 |
| Connecticut   | 14 days        | 1,750                                  |
| Illinois      | 14 days        | 1,245                                  |
| Massachusetts | 30 days        | 56                                     |
| New Jersey    | 14 days        | 545                                    |
| New York      | 7 days         | 2,853                                  |
| Ohio          | 14 days        | 1,705                                  |
| Pennsylvania  | 30 days        | 1,800                                  |
| Washington    | 7 days         | 12,430                                 |

**Note:** Strike data refer to individuals who participated in strikes in the 23 months between January 2022 and November 2023. Ongoing strikes and strikes that concluded after November 27th, 2023 are not included in this sample. Multi-state strikes are not included which results in some undercount. See Appendix Table B for all omitted multi-state strikes.

**Source:** Author's analysis of strike data from the Cornell ILR School, [Labor Action Tracker](#), January 2022–November 2023.

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## Multi-state strikes with a share of participants eligible for UI under proposed legislation, January 2022–November 2023

| States   | Relevant UI waiting periods                   | Total strike participants | Average monthly strike participants | Parties involved   |   |
|--|---|---------------------------|-------------------------------------|--|---|
|  |   |                           |                                     | Employer(s)  | Labor organization(s)   |
| California; Colorado; Georgia; Illinois; Kentucky; Massachusetts; Michigan; Minnesota; Missouri; Ohio; Tennessee; Texas; West Virginia | 14 days (CA, OH);<br>30 days (MA)             | 50,100                    | 2,178                               | General Motors; Ford; Stellantis   | United Auto Workers (UAW)   |
| California; Indiana; Kentucky; Washington  | 7 days (WA);<br>14 days (CA)                  | 1,250                     | 54                                  | Sysco  | Teamsters (IBT)   |
| California; New York   | 7 days (NY);<br>14 days (CA)                  | 171,500                   | 7,457                               | The Alliance of Motion Picture and Television Producers; The Alliance of Motion Picture and Television Producers | Screen Actors Guild – American Federation of Television and Radio Artists (SAG-AFTRA); Writers Guild of America (WGA) |
| Florida; Maryland; Pennsylvania  | 30 days (PA)                                  | 4,000                     | 174                                 | Mack Trucks – Volvo Group  | United Auto Workers (UAW)   |
| Illinois; Kentucky; Oklahoma; Pennsylvania; Virginia; Washington   | 7 days (WA);<br>14 days (IL);<br>30 days (PA) | 3,000                     | 130                                 | Starbucks  | Starbucks Workers United  |
| Maine; Massachusetts; New Hampshire  | 30 days                                       | 33                        | 1                                   | Cummins Northeast  | International Association of Machinists (IAM)   |

**Note:** Data refer strike participants between January 2022 and November 2023 (23 months). Ongoing strikes and strikes that concluded after November 27st, 2023 are not included in this sample.

**Source:** Author's analysis of strike data from the Cornell ILR School, [Labor Action Tracker](#), January 2022–November 2023.

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