Georgia Fails to Make the Grade in Meeting the Needs of Its Unemployed Workers

Georgia's unemployment insurance system, like that of 22 other states, fails to meet the needs of out-of-work Americans and is in urgent need of repair, particularly given the increase in workers losing their jobs or exhausting their unemployment benefits since September 11.

A newly released report, “Failing the Unemployed: A State-by-State Evaluation of Unemployment Insurance Systems,” grades Georgia and the other 49 states on five criteria that determine how much families are helped by a state’s unemployment insurance program.

Exhaustions:
Thousands of workers in each state have seen their unemployment insurance benefits run out before they are able to find work. In Georgia:

- Between September 11, 2001 and January 31, 2002, more than 44,857 laid-off workers exhausted their unemployment benefits – an increase of 136% over the same period last year.
- 52,700 unemployed workers are expected to run out of benefits by July 1, 2002 – an increase of 87% over the same period last year.
- Each week, 2,030 laid off workers are expected to run out of unemployment benefits.

1. State’s Eligibility Policies. GRADE: FAIL
States establish eligibility policies to determine under what circumstances workers can qualify for assistance. Badly structured eligibility requirements often end up denying benefits to the workers who are likely to need them most: low-wage and part-time workers, even if they have substantial earnings and work histories. Failing on the Eligibility Measure means policies such as extending benefits and raising benefit amounts will have virtually no impact on workers who are not eligible for benefits.

- Georgia does not have an alternate base period, which is a fairer way of calculating a worker’s eligibility for unemployment benefits. It requires the state to use the worker’s most recent earnings prior to layoff – which are typically higher – to calculate eligibility.

- Georgia does not allow part-time workers to collect unemployment insurance benefits if they are laid-off.

2. Adequacy of Unemployment Benefits. GRADE: PASS
Unemployment Insurance (UI) is the first line of defense during economic downturns --- not only because it provides vital income support to laid off workers, but also because the money workers receive from UI goes right back into the community, which boosts and stabilizes the economy. Paying workers adequate benefits when they are unemployed may mean the difference between moderate hardship and an inability to pay bills, buy sufficient food or other minimal needs. If states provide particularly low benefits, middle-income families are forced to spend their savings or live at poverty levels, while low-wage workers may have no alternative but to seek welfare/TANF assistance.
Georgia’s maximum weekly benefits lift a family of three above the poverty line – but just by $10 per week.

3. Recession Preparedness. GRADE: FAIL
During a recession it is critical that states have strategies in place to help families who are temporarily out of work. Some states have adopted such measures that trigger automatically when unemployment exceeds a certain level or that may suspend the regular one-week waiting period before workers can receive any benefits.

❌ Georgia has failed to adopt an extended benefits trigger or to fund extended benefits for workers.

❌ Georgia is one of 34 states that received a FAILING grade on this measure.

4. Employer Tax Practices. GRADE: FAIL
The report calls attention to the disturbing inequity between the treatment of workers seeking to collect unemployment benefits and employer tax rates used to fund the unemployment insurance system. Systems that do not collect enough revenue during periods of economic expansion will not be able to expand coverage during a recession, and will fall far short of meeting the needs of unemployed workers.

❌ Georgia earns failing marks on employer taxation because employers pay only 0.1% of their total wages in unemployment taxes, while Georgia denies unemployment benefits to more than two-thirds its laid off workers.

5. Solvency of UI Trust Fund. GRADE: PASS
If there is any good news in this report, it is in the finding that most of the state UI trust funds have nine months or more of benefits available, with just 12 states falling below that mark.

✔️ Georgia’s trust fund has a higher than average balance, largely due to the fact that their UI programs are less generous than average.