UFCW LOCAL 555
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OREGON AFL-CIO PRIORITY

Unemployment Insurance for Striking Workers

LC NUMBER: LC 2910

BILL NUMBER: SB 916

SCAN FOR MATERIALS & SIGN-ON OPTIONS ▶

THE SHORT VERSION

Striking workers and their families should not be pushed into poverty for exercising their legally protected right to strike.

This policy would eliminate an existing prohibition on workers drawing unemployment insurance benefits during a strike.

Background

Unemployment Insurance was established to safeguard workers and their families against an unexpected loss of income, as well as prevent jobless workers from being obliged to accept employment that is unsafe, unsuitable, or a poor match for their skills and abilities, which can drive down wages and depress labor standards for workers across the board.

No worker or union hopes to strike. The decision to strike is typically a measure of last resort, exercised only after workers have exhausted all other avenues of negotiation. Striking workers use the right to strike to challenge unsafe or unsuitable workplace conditions, low wages, and other unfair employment practices.

This aligns with the intended purpose of the Unemployment Insurance program.

Benefits

In Oregon the average weekly benefit paid is only $507 with a recipiency rate of only 38%. Additionally, Unemployment Insurance is collected on average for only 6.6 weeks.

Providing striking workers with limited economic support through Oregon's UI system (which pays just 43% of their prior wages, on average) will help workers and their families continue to afford necessities and spend money in their communities, sustaining support for the local economy and small businesses.

Costs

In Oregon, the Economic Policy Institute estimated benefits paid to striking workers would be 0.7% of total Unemployment Insurance expenditures. This theorizes a recipiency rate of 100% and that all strikes would last longer than 7 days.

The Unemployment Department is not forecasting that this would change the assessment schedule for unemployment. Employer UI rates are calculated over 3 years of payroll. Projections suggest that one strike held against three years of payroll will not yield any significant changes to the rate schedule.

In fact, investing in the welfare of Oregon workers would actually improve the economy. Folks being able to still survive, buy groceries, and not fall too far behind on bills means that there will be money circulating in the economy.

The cost of extending UI benefits to strikers amounts to less than 1% of statewide UI expenditures

Estimated cost of UI benefits paid to strikers compared with state UI expenditures, 2022-2023

Proposed eligibility waiting period	7 days
Eligible strikers based on waiting period, 2022-23	5,890
State UI recipiency rate (2023)	38.7%
Estimated strikers who will apply for benefits (38.7%)	2.278
Average weekly UI benefit	$507
Estimated weeks of UI collected per person	6.6
UI benefits payable to strikers, 2022-23	$ 7,589,170
Total state UI expenditures, 2022-23	$ 1,146,860,839
UI paid to strikers as % of total UI	0.7%

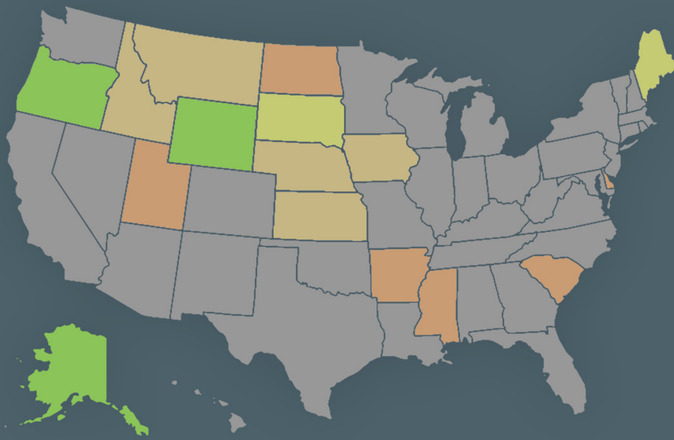
Note: The estimated number of "eligible" striking workers refers to all workers who participated in labor actions that lasted 7 days or more. Estimated weeks of UI collected per person is based on the average duration of strikes that last 7 days or greater; Relatedly, 70% of all Oregon strikes conclude in 7 days or less.

Source: EPI analsys of strike data from the Cornell ILR School, Labor Action Tracker and UI state program data, recipiency rates, and expenditures from the US Department of Labor, Employment and Training Administration, January 2022-December 2023.

Economic Policy Institute

FACT: Oregon has one of the most solvent trust funds in the country

According to the U.S. Department of Labor, Oregon has one of the most solvent Unemployment Insurance funds in the nation. At a solvency rate of 1.99 out of a recommended 1.00, Oregon is second only to Wyoming, which boasts a 2.18 rating.



- Over 1.89
- 1.60 - 1.89
- 1.30 - 1.59
- 1.00 - 1.29
- Less than 1.00

Read the full report at: https://oui.doleta.gov/unemploy/solvency.asp

Frequently Asked Questions

Aren't there strike funds?

Not all unions have strike funds. In Oregon, many unions do not have any strike funds at all. Additionally, UI is a safety net insurance program. A car insurance provider does not deny a claim because the policyholder has enough assets to pay for the damage themselves. In the same way, unemployment insurance should be paid out equitably and regardless of other safety nets.

Why should we financially support striking workers?

Workers who have struck across Oregon would tell you time and again that they did not want to strike but that they had no option because of unsafe working conditions, unstable retirement security or healthcare benefits, or wages that did not keep pace with inflation and the cost of living. Too often, employers count on workers running out of resource, thus forcing them to settle at the bargaining table.

Will this raise employer rates?

The Unemployment Department is not forecasting that this would change the assessment schedule for unemployment. Employer rates are calculated over 3 years of payroll. Projections suggest that one strike held against three years of payroll will not yield any significant changes to the rate schedule.

Will this make strikes more frequent and longer?

No. In New York and New Jersey where this policy is in effect there has been no evidence that having access to Unemployment Insurance increases striking or strike duration. Striking is always a difficult choice.

> "The corporate executives who are sitting on one side of the negotiating table get paid during a strike, and workers should too; otherwise management can simply wait them out."
>
> – U.S. Congressman Adam Schiff
>
> when introducing federal legislation to provide unemployment benefits to striking workers

Local 555 union members on the picket line in August 2024.
For more on the August ULP Strike, head to page 14.