

FACT SHEET

How Will Your Community Fare?

Labor market conditions vary across the state. This local variation results in distinct employment opportunities, industry growth patterns and experiences of business cycles. As such, local labor market conditions have a profound effect on the experience and duration of unemployment.

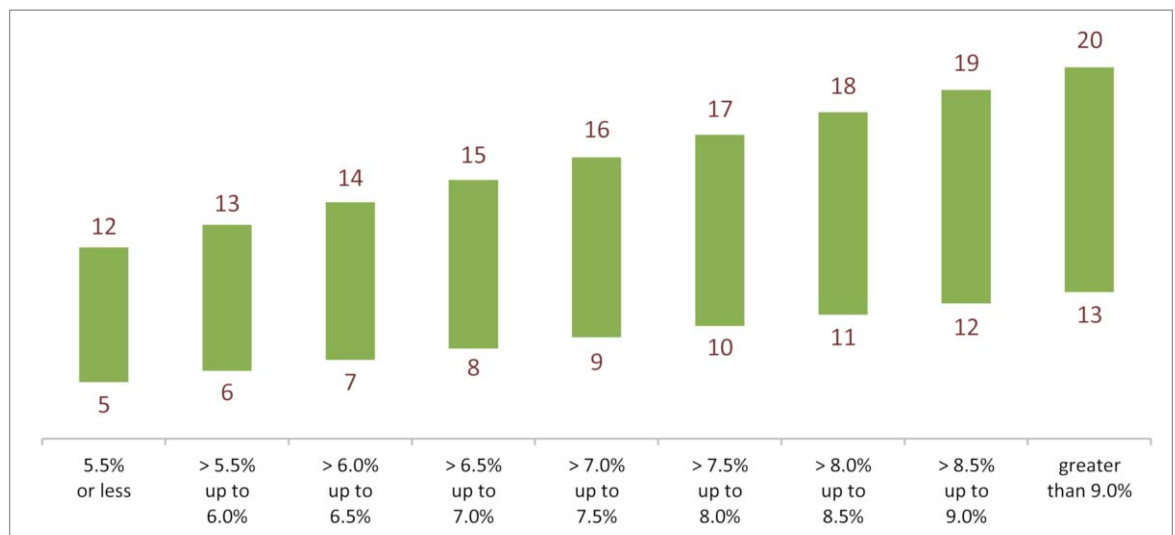
The bill making its way through the General Assembly to overhaul the state unemployment insurance (UI) system ignores local labor market conditions and will disproportionately impact workers in high-unemployment counties, which are primarily rural.

The UI bill puts in place a minimum and maximum sliding scale scheme that sets the duration of unemployment insurance.

The bill includes a provision that establishes a sliding scale for the minimum and maximum duration of weeks that an unemployed worker can receive unemployment insurance benefits. No other state has a sliding scale for the **minimum** number of weeks while only two states (Florida and Georgia) have a sliding scale for the **maximum** number of weeks.

- **The sliding scale is from a minimum of 5 weeks to a maximum of 20 weeks.**
- **The minimum and maximum thresholds are determined based on the seasonally adjusted statewide unemployment rate.**
- **The statewide unemployment rate in April and October will be used for the six-month base period that begins on January 1 and July 1.**
- **Within the range of benefit weeks, the actual weeks of benefits an unemployed workers receives will vary depending on the total benefits that they qualify for and the maximum allowable benefit payments in a week.**

FIGURE 1: RANGE OF WEEKS AVAILABLE BY UNEMPLOYMENT RATE



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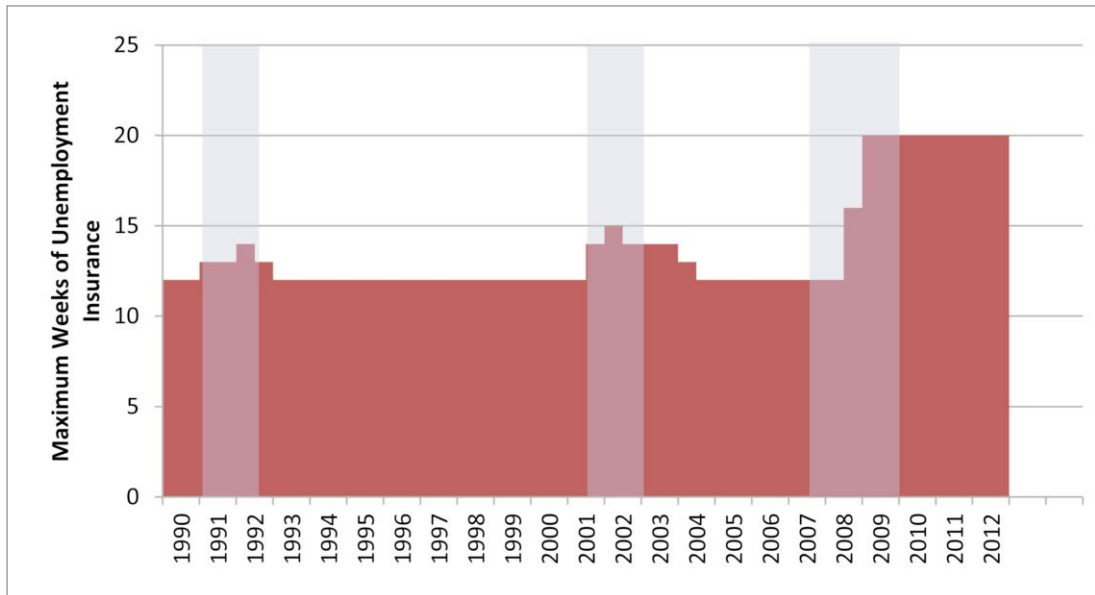
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If the current UI proposal had been in place in the previous two recessions, benefit duration across the state would have been cut in half from the current 26 weeks.

Currently, all workers who lose their jobs through no fault of their own can receive up to 26 weeks in unemployment insurance benefits. Under the proposal being considered by the General Assembly, the number of weeks would not reach the new maximum of the sliding scale—20

FIGURE 2: UNEMPLOYMENT INSURANCE MAXIMUM WEEKS SIGNIFICANTLY REDUCED



weeks—except in the most historic of downturns like the Great Recession. In more typical recessions, the number of weeks available would be half of currently available weeks. In the 2001 recession, the maximum duration of benefits would have been just 15 weeks. In the 1990 recession, the maximum duration of benefits would have reached just 13 weeks. In most other periods, the maximum would be just 12 weeks.

For many counties, however, even in good times unemployment rates have remained high. Under the current proposal, residents in these counties who were unemployed would not see the maximum number of weeks available reflect their local labor markets. In April 1996, Davie County had an unemployment rate of 9.3 percent, but residents who found themselves out of work through no fault of their own would only have qualified for 12 weeks of UI benefits that is because the state unemployment rate was 4.6 percent. In April 2006, another “boom” year, Scotland County had an unemployment rate of 8.3 percent, but laid-off residents would only be eligible for 12 weeks of benefits.

The UI overhaul bill will be particularly harmful to workers who live in high-unemployment counties and their local economies.

Many of the bill’s provisions will have a greater negative impact in high unemployment counties on both unemployed workers and local businesses. In high-unemployment counties that are also struggling with industry transitions and historic job loss, the sliding scale scheme will be particularly harmful. By virtue of establishing a sliding scale of available weeks tied to the unemployment rate, policymakers have acknowledged that high unemployment levels require longer supports for workers who have lost their jobs through no fault of their own. Fewer weeks of unemployment benefits means greater hardship for families, greater likelihood of falling into poverty, and fewer dollars circulating in local economies that are already struggling with job creation.

In both good and bad times, the use of a state unemployment rate to establish the length of unemployment benefits will reduce available weeks for unemployed workers in labor markets with significantly higher unemployment rates. In the 2001 recession, more than 63,000 unemployed workers would have had fewer weeks of benefits. In 2006, a “boom” year, more than 28,000 unemployed workers living in those counties would be affected by fewer weeks.

FIGURE 3: COUNTY UNEMPLOYMENT AND IMPACT OF SLIDING SCALE ON UNEMPLOYED IN GOOD AND BAD TIMES

AREA NAME	DEC-12		APRIL 2001/High End Estimate of Impact		APRIL 2006/Low End Estimate of Impact	
	Number of Unemployed	Unemployment Rate(%)	Unemployment Rate(%)	Number of Unemployed	Unemployment Rate(%)	Number of Unemployed
Alamance County	6,829	9.3	4.5	0	5	0
Alexander County	1,751	9.7	4.1	0	4.2	0
Alleghany County	483	10.6	9.5	483	4.4	0
Anson County	1,331	11.8	7.8	868	7.3	780
Ashe County	1,408	11.6	7.5	912	4.6	0
Avery County	952	12.1	5.3	0	5	0
Beaufort County	2,348	11.1	8.5	1,683	5.2	0
Bertie County	1,037	12.2	8.2	669	6.4	564
Bladen County	1,937	12.6	7.4	1,079	6	928
Brunswick County	5,634	11.3	5	0	3.9	0
Buncombe County	9,262	7.2	3.9	0	3.5	0
Burke County	4,377	10.9	5.4	0	5	0
Cabarrus County	7,973	8.7	3.9	0	3.8	0
Caldwell County	4,250	11	4.8	0	6.7	2,679
Camden County	382	8.5	3.4	0	3.2	0
Carteret County	3,032	9.3	5.2	0	3.7	0
Caswell County	1,054	9.7	5.9	636	6.4	692
Catawba County	7,974	10.8	4.6	0	4.9	0
Chatham County	2,495	7.3	3.6	0	3.6	0
Cherokee County	1,270	12.8	9.4	961	4.7	0
Chowan County	636	10.2	4.3	0	4.2	0
Clay County	417	9.5	4.9	0	3.5	0
Cleveland County	5,323	10.6	6.8	3,341	6.1	2,901
Columbus County	3,000	12.6	7.6	1,736	5.1	0
Craven County	4,323	10	5.3	0	4.1	0
Cumberland County	14,746	10.2	5.5	0	4.8	0
Currituck County	1,293	9.8	2.7	0	2.7	0
Dare County	3,397	15.9	4.5	0	4	0
Davidson County	7,986	10.1	4.8	0	5.3	0
Davie County	1,702	8.2	4.7	0	3.8	0
Duplin County	2,509	9.8	5.6	1,195	4.9	0
Durham County	10,890	7.5	3.6	0	3.6	0
Edgecombe County	3,952	15	7.2	1,809	8	1,933
Forsyth County	15,847	8.8	4.2	0	4	0
Franklin County	2,552	8.8	4.5	0	4.1	0
Gaston County	10,688	10.5	6.1	6,099	5.2	0
Gates County	375	7.7	4.3	0	3.2	0
Graham County	721	18.5	10.4	401	5.9	244
Granville County	2,613	9.8	6.1	1,386	4.9	0
Greene County	902	9.6	6.3	531	5.6	515
Guilford County	24,666	9.5	4.2	0	4.4	0
Halifax County	3,085	13.6	9.7	2,172	6.1	1,479
Harnett County	5,312	10.6	6.2	2,660	4.4	0
Haywood County	2,659	9	5.4	0	3.9	0
Henderson County	3,709	7.2	3.8	0	3.3	0
Hertford County	1,028	10.5	7.4	713	5.2	0
Hoke County	2,032	9	5.5	0	4.9	0
Hyde County	390	13.9	7.4	188	4.7	0
Iredell County	8,056	9.7	4.8	0	4	0
Jackson County	1,975	9.6	3.7	0	3.4	0
Johnston County	6,752	8.2	3.8	0	3.7	0

FIGURE 3: COUNTY UNEMPLOYMENT (con't.)

AREA NAME	DEC-12		APRIL 2001/High End Estimate of Impact		APRIL 2006/Low End Estimate of Impact	
	Number of Unemployed	Unemployment Rate(%)	Unemployment Rate(%)	Number of Unemployed	Unemployment Rate(%)	Number of Unemployed
Jones County	399	9	4.4	0	4.3	0
Lee County	3,242	12.1	5.7	1,402	4.7	0
Lenoir County	2,918	10.2	7.9	2,133	5.2	0
Lincoln County	3,971	10.1	5.5	0	4.4	0
Macon County	1,732	11.1	4.7	0	3.8	0
Madison County	874	8.5	5.2	0	3.8	0
Martin County	1,303	11.4	7	803	4.9	0
McDowell County	2,296	11	7	1,464	5.6	1,175
Mecklenburg County	46,164	9.3	3.7	0	4.1	0
Mitchell County	940	13.6	9.1	702	5.8	444
Montgomery County	1,171	10.5	6.3	800	6.7	823
Moore County	3,392	8.9	4.3	0	4.3	0
Nash County	5,301	11.2	5.7	2,493	5.4	0
New Hanover County	10,026	9.5	4	0	3.5	0
Northampton County	953	10.9	8.2	697	5	0
Onslow County	6,119	8.8	4.8	0	4.1	0
Orange County	4,334	5.9	2.8	0	3	0
Pamlico County	569	10.4	5.1	0	3.8	0
Pasquotank County	1,969	11.3	4.8	0	4.3	0
Pender County	2,580	10.9	4.6	0	3.6	0
Perquimans County	527	9.9	5.5	0	5	0
Person County	1,860	9.3	6.2	1,160	5.5	0
Pitt County	8,189	9.6	5.4	0	4.8	0
Polk County	720	7.8	3.7	0	3.4	0
Randolph County	7,080	9.5	4.8	0	4	0
Richmond County	2,466	12.7	7.5	1,568	7	1,412
Robeson County	7,203	12.8	8.8	4,512	5.7	3,075
Rockingham County	4,748	10.6	6	2,757	5.3	0
Rowan County	6,929	9.7	5.2	0	4.4	0
Rutherford County	3,707	13.6	6	1,813	7.6	2,269
Sampson County	2,816	8.5	5.1	0	4.3	0
Scotland County	2,158	16.6	9.1	1,435	8.3	1,230
Stanly County	2,866	9.4	7.2	2,126	4.8	0
Stokes County	2,054	8.4	4.6	0	3.9	0
Surry County	3,332	10.1	5.2	0	4.8	0
Swain County	1,119	16.5	7.6	502	5.6	397
Transylvania County	1,264	10.1	4.3	0	4.1	0
Tyrrell County	281	11.4	11	188	5.7	116
Union County	8,192	8.1	3.3	0	3.7	0
Vance County	2,602	13.4	10.4	2,099	7.3	1,372
Wake County	35,269	7.3	3.1	0	3.4	0
Warren County	965	12.1	7.7	617	6	478
Washington County	800	12.5	6.5	372	5.8	358
Watauga County	2,076	8.5	3.2	0	3.7	0
Wayne County	5,078	9.1	5.3	0	4.3	0
Wilkes County	3,303	10.9	4.9	0	4.8	0
Wilson County	4,993	12.2	8.3	3,122	7.3	2,915
Yadkin County	1,725	8.9	5	0	3.6	0
Yancey County	954	12.2	10	800	5.2	0
NORTH CAROLINA	444,851	9.5	5.1	63,087	4.7	28,779