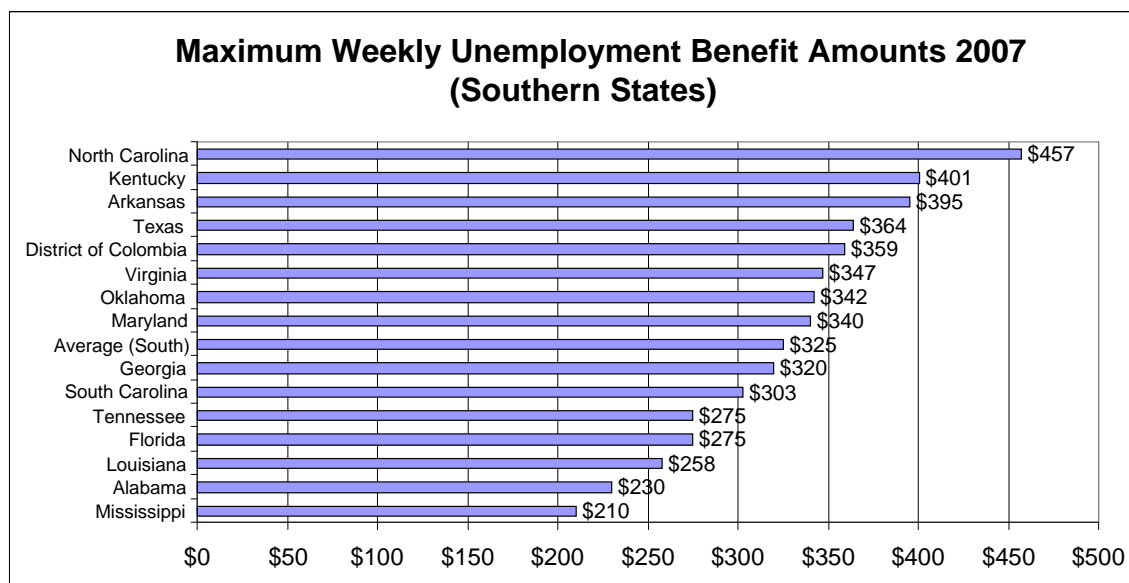




Increasing the Weekly Maximum for Unemployment Insurance Benefits: Helping Unemployed Workers Quickly Return to the Workforce

Low-wage workers are often susceptible to layoffs and restructuring activity due to low educational attainment and typically short tenures. For these reasons they often experience longer periods of time between jobs, which can disrupt their efforts to move towards self-sufficiency. For workers who lose their jobs through no fault of their own, unemployment insurance (UI) is a critical support that allows working families to move back into the workforce quickly. UI payments provide a small amount of cash assistance to help with basic living expenses while an individual seeks employment.

Mississippi's UI trust fund balance is one of the largest in the country. While solvent, the UI program does not provide benefits for part-time workers or temporary disability insurance. Additionally, only 22% of the state's jobless workers received unemployment insurance payment in 2006. For those who used the program, they could receive a maximum weekly benefit of \$210. The maximum benefit paid through the UI program is less than the weekly wage of an employee working 40 hours per week at a minimum wage job (\$234). The low benefit poses challenges for unemployed workers trying to cover basic living expenses while also covering expenses related to looking for employment. This obstacle is especially problematic for workers in rural areas – where the highest rates of unemployment occur – who require gas and an automobile for job search activities. Mississippi could enhance its supports for unemployed workers by increasing its weekly benefit to \$275 per week. As Chart 1 shows, Mississippi has the lowest maximum weekly benefits of all the southern states.



Source: U.S. Department of Labor, Comparison of State Unemployment Insurance Laws 2007.