Unemployment Insurance

President Trump has tried to bypass congressional negotiators by announcing several executive orders on unemployment insurance, housing, student loans, and payroll tax deferment. Billed as relief for people suffering the economic consequences of the COVID-19 pandemic, the pronouncements failed to address the scope of the crisis and are an inadequate replacement for Congressional action.

Here’s what the executive order does and doesn’t do to address unemployment:

- The first executive order would extend boosted unemployment insurance benefits, providing an additional $400 per month—less than the $600 per month included in the CARES Act (H.R. 748) which recently expired.
- Funding for this would be split, with 75% coming from Federal Emergency Management Agency's (FEMA) disaster relief fund, and the other 25% from state governments. States could use funds enacted by the CARES Act or other funds to pay for their portion. However, states aren't required to pay this 25% and can chose to forgo this extra assistance if they want.
- While continuing expanded unemployment insurance is a worthwhile goal, siphoning funds from other sources only compounds problems. Redirecting funding from FEMA's disaster relief fund could leave vulnerable communities worse off during an especially active hurricane season.
- Further, states are in no position to foot the bill. Their budgets have been decimated by falling revenue and increased spending and demand for government services due to COVID-19. Many are already facing massive deficits. While allowing states to use more funding from the CARES Act is a step in the right direction, many states have already used this funding and other states don’t have enough funding left to adequately meet demand. This leaves Governors in a position of having to choose between paying out additional unemployment insurance benefits or other urgent priorities like providing testing and contact tracing.

WHAT HAPPENS NEXT?

These executive orders fail to meaningfully address the growing need caused by COVID-19. It’s clear that Congress urgently needs to pass comprehensive legislation. Millions of people are struggling without work, and millions more could lose their homes. It’s morally wrong for Congress to renege on its duty to protect the people they are elected to serve. We urge Congress to act with the gravity and urgency that’s required to meet this moment and help those who are most vulnerable.