

T0: House Interim Committee on Business and Labor
FM: Tom Cusack

Subject: Testimony and Three Questions for Wednesday May 27, 2020 Committee Meeting.

Good afternoon, this Tom Cusack in Lake Oswego.

For the record I am a retired Oregon Field Office Director for the US Department of Housing and Urban Development and a 40-year Oregon resident. Since retiring I also author the Oregon Housing Blog.

My primary focus after retirement has continued to be on housing issues. However, I have recently spent time looking at the scope of unemployment insurance benefits in Oregon because the total amount of unemployment insurance is significant enough to provide substantial income that can be used for housing expenses. Every \$100 million *weekly* in unemployment insurance can provide, after taxes, close to \$26 million for housing expenses. That's more than \$100 million *per month* available for housing expenses after taxes, assuming 30% of unemployment benefits are spent for housing. In calendar year 2019 HUD spent a total of \$250 million in Oregon on housing voucher assistance, so unemployment insurance benefits available for housing expenses may well exceed that this year.

The Number of First Payments for Unemployment Claims Is Less than Half of the Number of Initial Claims Filed.

The Employment Department website has many different unemployment metrics for initial claims, continuing claims, and claims processed. ***It does however NOT have up to date information on how many claimants are actually receiving benefits and how much those benefits total.***

On May 22 the Employment Department said this about 2 months of initial claims for unemployment insurance ¹:

“ From March 15 through May 16, 2020, the Oregon Employment Department received about 412,000 initial claims for traditional Unemployment Insurance. This does not even include claims for the newly implemented Pandemic Unemployment Assistance program, which covers the self-employed, contract workers, and gig workers.”.

For a slightly different 2-month period the Federal Department of Labor website shows a total of 322,781 initial claims filed in *March (110,509) and April (212,272)*. That website also shows that as of the end of April there were substantially smaller total of 160,341 Oregon first unemployment insurance payments in April (139,256) and March (21,085). ²

That means that only 50% of the 322,781 initial claims filed in March (110,509) and April (212,272) have resulted in first payments by the end of April. (That drops to only 40% of the 412,000 initial claims filed from March 15 to May 15 reported by the Employment Department).

Total Reported Payments in April of \$257 Million Cannot Fully Include \$600 Supplemental Payments As the Weekly Average Payment of \$443 is Below the \$751 Minimum Payment (\$151 +\$600).

DOL data shows that total actual regular unemployment payments in April were \$257 million and that the average April weekly benefit paid was only \$443. This is 41% BELOW the \$751 minimum

weekly payment (\$151+\$600 supplemental benefit) and 64% below the \$1,248 maximum weekly unemployment insurance payment (\$648+\$600 supplemental benefit). This indicates that the \$257 million reported by DOL understates the actual payments and/or indicates that \$600 bonus payments were not being made.

There very well may be an explanation for these wide gaps between initial payments and initial claims and between average benefits paid and minimum and maximum benefits with the \$600 supplement. I have yet to find such explanation.

Three Questions Can Clear Up How Much is Being Paid and to Whom, and What Hasn't Been Paid.

To help clarify the number of Oregonian actually NOW receiving or NOT receiving unemployment insurance benefits I suggest three simple questions be asked of the Employment Department staff testifying today.

1. As of the end of the last weekly [and or monthly] reporting period how many unique unemployment claimants actually received unemployment insurance benefit payments and what was the total dollar amount paid during that period? [Regular unemployment insurance data should be available from ETA report 5159 submitted monthly to the DOL ³.].
2. Of those actually receiving unemployment Insurance payments how many were Pandemic Unemployment Assistance (PUA) beneficiaries (gig workers, independent contractors, and self-employed) and what was the total amount paid to those beneficiaries ? [This data should be available from ETA report 902P now submitted monthly to DOL ³.].
3. Of those actually receiving unemployment Insurance payments how many beneficiaries received the full Federal Pandemic Unemployment Compensation [FPUC] (+\$600 bonus payment) and what was the total amount paid to those beneficiaries? [This data should be available from ETA report 2112 submitted monthly to the DOL ³.].

Footnotes:

1. Oregon Employment Department, May 22: <https://www.qualityinfo.org/-/oregon-s-initial-claims-for-unemployment-insurance>.
2. US Department of Labor, Employment Training Administration. My analysis of downloaded report ETA 5159, Claims and Payment activities: <https://oui.doleta.gov/unemploy/csv/ar5159.csv>
3. Links to ETA report formats and downloads: <https://oui.doleta.gov/unemploy/DataDownloads.asp>