

SHRM ISSUE BRIEF

EMERGENCY FEDERAL UNEMPLOYMENT BENEFITS SUPPLEMENT



UNEMPLOYMENT UP, WHILE EMPLOYERS SEEK TALENT

1 Mixed Signals on Jobs

U.S. employers added just 266,000 jobs in April, well short of the 1 million jobs economists predicted. Unemployment ticked up to 6.1 percent, the first increase since early in the pandemic. **Many employers, however, (particularly in restaurants, retail and hospitality) report little response to job ads.**

2 Unemployment Benefits Extended

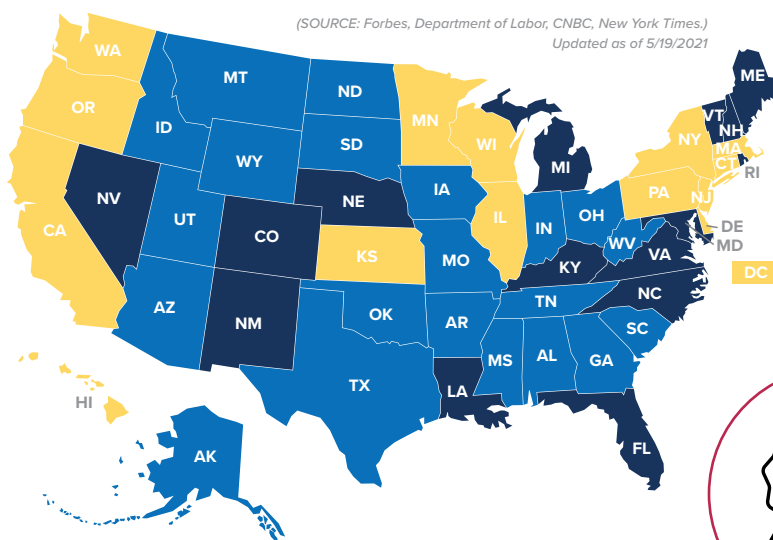
The American Rescue Plan extended a \$300/week federal supplement to unemployment insurance (UI) benefits until Sep. 6, 2021. Although it varies by state, the average March UI was \$350/week.

3 Holding Back Growth

Several factors that may have attributed to slowed job growth: worker reskilling/upskilling to meet new job roles, expanded UI benefits, safety concerns, caregiving responsibilities and individuals seeking new career opportunities.

STATES THAT HAVE ADJUSTED RULES FOR CLAIMING UNEMPLOYMENT BENEFITS

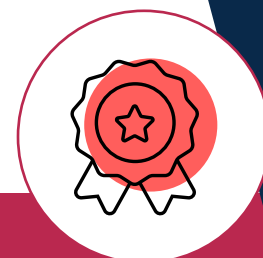
- No job search requirements
- Requires UI applicants to prove they are searching for a job
- Requires UI applicants to prove they are searching for a job and plans to remove \$300/week federal PUA supplement early



LOOKING AHEAD

As employers struggle to identify and recruit talent, many states are responding by adjusting UI requirements and benefits. Some economists have pointed to enhanced unemployment benefits (additional \$300/week) extended under ARPA and expanded eligibility for benefits as possible factors contributing to these shortages.

- States paused applicant job search requirements to qualify for UI benefits early in the pandemic.
- Twenty-one states have announced an end to the extended federal benefits before the September 6 expiration under ARPA.
- The Biden Administration intends to reinstate work search rules to incentivize individuals to return to the workplace. This will prevent those who turn down suitable job offers from accessing the benefits.



WORKFORCE DEVELOPMENT

SHRM supports policies and practices to hire, educate, train, reskill and upskill workers to meet the demands of the modern workforce.