

Testimony of Amy M. Traub

National Employment Law Project

In Favor of SB 5041: Providing Unemployment Benefits to Striking Workers Is a Step Forward for Washington

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Amy M. Traub

Senior Policy Analyst and Researcher

National Employment Law Project

90 Broad Street, Suite 1100

New York, NY 10004

646-693-8229

atraub@nelp.org

Providing Unemployment Benefits to Striking Workers Is a Step Forward for Washington

Good morning Chair Saldaña, Vice Chair Conway, Ranking Member King, and distinguished members of the Committee. My name is Amy Traub, and I am Senior Researcher and Policy Analyst at the National Employment Law Project (NELP).

NELP is a nonprofit research, policy, and capacity building organization that for more than 50 years has sought to strengthen protections and build power for workers in the U.S., including workers who are unemployed. For decades, NELP has researched and advocated for policies that create good jobs, expand access to work, and strengthen protections and support for underpaid and jobless workers.

I am speaking today in favor of SB 5041, which would extend unemployment benefits to workers after the second Sunday they have been on strike. This legislation is consistent with the long-standing core purposes of the unemployment insurance program and would have powerful benefits for workers, families, and communities across Washington.

Providing UI to Striking Workers Aligns with the Purpose of the Program

Unemployment insurance (UI) delivers essential support to workers, their families, and to the economy at the local, state, and national level. In the midst of the Great Depression, UI was established to safeguard workers and their families against an unexpected loss of income due to unemployment and to bolster the overall economy during economic downturns by sustaining consumer demand. UI was also intended to prevent jobless workers from being obliged to accept employment that is unsafe, unsuitable, or a poor match for their skills and abilities, which can drive down wages and depress labor standards for workers across the board.

Striking workers use the right to strike to challenge unsafe or unsuitable workplace conditions, low wages, and other unfair employment practices. This aligns with the intended purpose of the UI program. Striking workers are temporarily disconnected from their employers and paychecks. Many workers in similar situations are currently supported by the UI system, including workers on temporary

layoff and workers participating in the Washington Employment Security Department's SharedWork Program. Striking workers and their families deserve the same financial support and should not be pushed into poverty for exercising their legally protected right to strike.

Providing UI to Striking Workers Benefits Washington Workers, Families, and Communities at Little Additional Cost to the System

Workers confront significant economic uncertainty when their union votes to go on strike. No longer able to rely on their regular paychecks, workers and their families risk missing rent or mortgage payments and losing their health coverage. They may also be unable to afford basic necessities like groceries and childcare. Providing striking workers with limited economic support through Washington's UI system (which pays just 45 percent of their prior wages, on average)¹ will help workers and their families continue to afford necessities and spend money in their communities, sustaining support for the local economy and small businesses.

This bill also represents a step towards racial equity. Nationally, Black workers are the demographic group most likely to be union members.² At the same time, as a result of systematic exclusion from wealth-building opportunities over generations, Black households are less likely than their white counterparts to have sufficient personal wealth or savings to even partly make up for the income lost by going out on strike.³ Providing unemployment benefits to striking workers will help to remedy this inequity, while supporting workers of all backgrounds.

Workers do not make the decision to go on strike lightly. Instead, workers generally strike only when they believe they have no other means to protect themselves from unfair working conditions or reach a fair deal on the job. In New York and New Jersey, which already offer UI benefits to striking workers, there is no evidence that access to UI benefits makes workers more likely to go on strike.

It is also worth noting that many striking workers do not have access to strike funds, while those who do often get insufficient support. For example, in 2023, more than 1 in 5 strikes (22 percent) were organized by nonunion workers who did not have the institutional support of a strike fund.⁴ Even when strike funds are available, they are often far from enough to enable workers to feed their families and keep their homes. Consider the screenwriters who went on strike in 2023: they could apply for emergency loans or grants but received no consistent support from the strike fund over the more than four months of the strike. Strike funds are not an adequate substitute for UI benefits.

While going on strike is a momentous event for the workers involved, it would have little impact on Washington's unemployment insurance system or its trust fund. When Daniel Perez at the Economic Policy Institute analyzed the legislation on unemployment benefits for striking workers that was considered by this body last year, he concluded that striking workers would account for just 1.2 percent of continuing monthly claims, and would increase the state's monthly benefit costs by less than one percent, even if every striking worker received UI benefits, a highly unlikely rate of reciprocity.⁵

Providing a small degree of economic security to striking workers helps ensure fairness in bargaining. As U.S. Representative Adam Schiff pointed out when he introduced federal legislation to provide unemployment benefits to striking workers, "The corporate executives who are sitting on one side of the negotiating table get paid during a strike, and workers should too; otherwise, management can simply wait them out."⁶

Through strikes, workers have achieved benefits that not only support themselves and their families, but other workers and the broader community as well. For example, after strikes by the United Auto Workers union won record pay increases at Ford, General Motors, and Stellantis, auto companies such as Nissan and Hyundai immediately boosted pay for thousands of non-union U.S. workers at their plants.⁷ Meanwhile, a 2023 strike by nurses in New York City led to an agreement that is being used to hold hospitals accountable for safe staffing to protect vulnerable newborn babies in the neonatal intensive care unit.⁸ Workers who sacrifice and take risks to achieve these benefits deserve public support.

The National Employment Law Project urges legislators to support SB 5041 to extend unemployment benefits to striking and locked out workers.

Endnotes

1. "UI Replacement Rates Report," U.S. Department of Labor, Employment and Training Administration, https://oui.doleta.gov/unemploy/ui_replacement_rates.asp.
2. "Union Members - 2023," U.S. Bureau of Labor Statistics, January 23, 2024, <https://www.bls.gov/news.release/union2.nr0.htm>.
3. Angela Hanks, Danyelle Solomon, and Christian E. Weller, "Systemic Inequality," Center for American Progress, 2018, <https://www.americanprogress.org/article/systemic-inequality/>.
4. Kathryn Ritchie, Johnnie Kallas, and Deepa Kylasam Iyer, Labor Action Tracker Annual Report 2023, (ILR School, Cornell University and LER School, University of Illinois, 2024), <https://www.ilr.cornell.edu/sites/default/files-d8/2024-02/Labor-Action-Tracker-2023-Annual-Report.pdf>.

5. Daniel Perez, "Extending Unemployment Insurance to Striking Workers Would Cost Little and Encourage Fair Negotiations," Economic Policy Institute, January 29, 2024, <https://www.epi.org/blog/extending-unemployment-insurance-to-striking-workers-would-cost-little-and-encourage-fair-negotiations/>.
6. Colin Gordon, "Union Decline and Rising Inequality," Economic Policy Institute, June 5, 2012, <https://www.epi.org/blog/union-decline-rising-inequality-charts/>.
7. <https://schiff.house.gov/news/press-releases/rep-schiff-ocasio-cortez-norcross-and-35-colleagues-introduce-bill-to-grant-striking-workers-unemployment-insurance>
8. Keith Naughton, "The UAW Scores Another Raise for Non-Union Members as Nissan Gives A 10% Raise to 9,000 American Factory Workers," *Fortune*, November 20, 2023, <https://fortune.com/asia/2023/11/20/nissan-raises-wages-pay-10-percent-factory-workers-uaw-shawn-fain/>.
9. Maya Kaufman, "Prominent New York Hospital Hit With Historic Fine for 'Persistent' Understaffing," *Politico*, May 17, 2023, <https://www.politico.com/news/2023/05/17/mount-sinai-nurse-strike-new-york-00097199>.

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