



Carsey: Rural Workers To Benefit Most From Unemployment Insurance Changes

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DURHAM, N.H. - Rural workers stand to benefit from the modernization of unemployment insurance (UI) to cover part-time workers, which is an opportunity for states under the American Reinvestment and Recovery Plan (ARRA), a new brief from the Carsey Institute at the University of New Hampshire finds. Rural workers are more likely to work part-time, and many states that do not provide UI benefits to part-time workers have higher than average proportions of rural residents.

"Modernization of the unemployment insurance program through President Obama's stimulus plan can really help rural families struggling to make ends meet in these bad economic times," says report author Anne Shattuck, a Carsey Institute research assistant and Ph.D. student in sociology at the University of New Hampshire. "For the 25 states that do not currently pay unemployment benefits to part-time workers, the ARRA provides an opportunity to update their policies so that workers can receive critical benefits if they lose their jobs. The American workforce has changed significantly since unemployment insurance was initially adopted during the Great Depression, and new policies are needed."

The ARRA offers states the opportunity to receive federal incentive funding - a total of \$7 billion - to make permanent modernizations to their unemployment insurance programs so that more workers who lose jobs, including part-time workers, can collect benefits.

The brief notes that one in five American workers is employed part-time, and only 37 percent of unemployed workers are now able to claim regular state unemployment benefits. "With the rising national unemployment rate, the safety net of unemployment insurance is more critical to American workers than any time during the last quarter century," says Shattuck.

Rural workers are slightly but significantly more likely than others to be part-timers, the brief finds: 21 percent of all rural workers hold part-time jobs, compared with 20 percent of suburban workers and 18 percent of central city workers. These differences are pronounced in the Northeast (23 percent of rural workers hold part-time jobs; 16 percent of city dwellers do) and West (25 percent rural versus 19 percent city).

States that currently do not provide part-time worker coverage are clustered in the heavily rural West, the South, and eastern Midwest. Of states that have more than one-quarter of their populations residing in rural areas, 11 (Alabama, Alaska, Idaho, Kentucky, Mississippi, Missouri, Montana, North Dakota, Tennessee, West Virginia and Wisconsin) offer no part-time worker coverage. Other states that do not provide part-time worker coverage are Arizona,

Connecticut, Illinois, Indiana, Massachusetts, Nevada, Ohio, Oregon, South Carolina, Texas, Utah, Virginia and Washington.

Women in all areas would benefit from expanded unemployment insurance benefits as well; 27 percent of women hold part-time jobs, compared to 13 percent of men in the labor force today.

The complete brief can be found online at <http://carseyinstitute.unh.edu/publications/IB-UI-09.pdf>.

The Carsey Institute conducts policy and applied research on vulnerable families and on sustainable community development, giving policy makers and practitioners the timely, independent resources they need to effect change in their communities.

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