

LET'S NOT CONTINUE DOWN A FAILING PATH TIE UNEMPLOYMENT BENEFITS TO ECONOMIC CONDITIONS

If we want to be the most business friendly state in the country, we should stop increasing taxes on businesses, starting with unemployment taxes. Let's index unemployment benefits so we can:

- Cycle individuals back into the workforce sooner
- Reduce taxes on business
- Restore trust fund balances

Impact Of Covid-19 On UI Trust Funds

State UI funds across the U.S. **DROPPED 113%**

Prior to the pandemic:
\$75 billion
UI trust funds across the U.S.

November 2021
-\$9 billion

Be Prepared

Oklahoma's UI trust fund was over-solvent when COVID-19 hit. It won't be in that good of a position when another downturn comes – which will leave ~~of~~ Oklahoma with taxpayer bailouts, loans from the federal government and higher unemployment taxes as its options to meet the obligations of the UI trust fund.

Oklahoma's UI Trust balance **DECLINED BY 77%** from Jan. 2020 to Nov. 2021

\$1,098,191,332 ▶ **\$258,471,290**

Give Tax Relief To Oklahoma's Employers And Benefit The Entire State

Lower unemployment taxes allow employers to hire more people and increase wages. ~~Right now, that is the only thing to~~ help address the state's dire workforce shortage.

- If Oklahoma put UI indexing in place, estimates show:
 - **Increase** in UI fund by \$524 million in just three years, bringing our UI trust fund balance to \$782 million.
 - **Lower** UI tax rates from \$2.80 to \$1.90 per \$1,000 of wages in just five years.
 - In four years, program dependency could drop by 35%, moving an UI enrollee's average time on unemployment from 13.4 weeks to 8.7 weeks.

Oklahoma's unemployment taxes are higher than:

- Arizona
- Arkansas
- Louisiana
- Mississippi
- Missouri
- Nebraska
- New Hampshire
- South Carolina
- South Dakota
- Utah
- Virginia

The Benefits are in the Numbers – States with UI Indexing

All three of these states adopted UI Indexing after the Great Recession when their UI funds became insolvent.



FLORIDA

Went from **-\$1.7 billion** to **\$4.1 billion** in the black



GEORGIA

Went from **-\$750 million** to **\$2.4 billion** in the black



NORTH CAROLINA

Went from **-\$202 billion** to **\$3.9 billion** in the black

- Average UI enrollee cycles off of unemployment in 9.8 weeks
- Employers pay approximately \$1.90 in UI taxes for every \$1,000 in payroll.
- Lower UI tax rates
- Shorter program duration
- Stable trust fund balances
- Get people back to work twice as fast as other states

States without UI Indexing

- Burning through their trust funds eight times faster than indexing states
- Average UI enrollee doesn't cycle off of unemployment for 15.6 weeks
- Employers pay an average of roughly \$4.80 for every \$1,000 in payroll.

