

Unemployment Benefits for Excluded Immigrant Workers



Unemployment insurance benefits are a lifeline for Californians.

However, undocumented immigrant workers – the backbone of California’s economy, comprising 1 in 17 workers in California – **are entirely excluded from unemployment benefits due solely to their immigration status.** These workers are also some of the most severely impacted by natural disasters, health emergencies, and economic downturns. Without the support of essential safety net programs like unemployment benefits, many immigrant families are forced to exhaust their life savings, accumulate greater debt, and compromise their health to simply afford basic necessities like rent and food.

Excluded immigrant workers have contributed to California’s diverse culture and its standing as the 4th largest economy in the world.

Undocumented immigrant workers contribute \$3.7 billion in state and local taxes, and **taxes on their wages contribute an estimated \$485 million to the unemployment insurance system in California every year.** However, these workers and their families are unable to reap any of these benefits when they need them most. Unemployment benefits for excluded workers will help put immigrant families on equitable footing with their neighbors, so that all Californians have the dignity, fairness, and respect that helps people thrive.

Taxes on the wages of undocumented workers contribute \$485 million annually to California’s Unemployment Insurance system, even though those workers do not see a cent of that money.

Extending unemployment benefits to excluded immigrant workers creates a stronger, more resilient California.

When excluded immigrant workers have access to safety net programs, all of California benefits. **Twenty percent of all Californians under 18 live with an undocumented family member or are undocumented themselves.** Unemployment benefits also bolster the state economy during economic downturns. For every \$1 of UI benefits paid out, \$1.62 returns to local economies. Our communities are stronger and able to withstand the economic shocks of disaster more effectively, and get back to work more easily.

Last year, our proposal, AB 2847, passed through the Legislature and made it to the Governor’s desk. This year, with your leadership, California can protect our progress and help our state prepare for an uncertain future. The Safety Net for All Coalition of over 120 organizations urges you to lead and include unemployment benefits to excluded immigrant workers in the 2023-2024 state budget!

RECOMMENDATION: Create a state Excluded Workers Program to provide unemployment benefits to workers excluded from Unemployment Insurance solely due to their immigration status, providing \$300 per week for up to 20 weeks of unemployment.

COST-BENEFIT ESTIMATE: Based on the average unemployment insurance benefit and the median length of unemployment among non-citizen workers over the past several years, as well as EDD’s estimates of administrative costs, the projected cost is approximately \$356 million, which will expand unemployment benefits to approximately 1.1 million excluded workers.

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