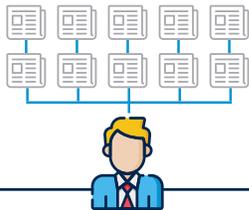




SB 1167: Arizona Should Index Unemployment Insurance Benefits

Senate Bill 1167, introduced by Senators Steve Kaiser and Janae Kamp, would **index Unemployment Insurance (UI) benefits to economic conditions**. *How does this work?* When the unemployment rate is low and demand for workers is high, fewer benefits are available because workers can easily find a new job. When the unemployment rate is high, more benefits are available because it takes longer to find a new job.

ARIZONA NEEDS WORKERS



There are 10 open jobs for every one person applying for unemployment benefits in Arizona. The state has a labor shortage—not a job shortage. UI indexing will promote rapid re-employment and help address the ongoing workforce crisis.

DOESN'T ARIZONA ALREADY DO THIS?

Arizona's current system offers **between 24 and 26 weeks of unemployment benefits**. SB 1167 follows the models of Florida, North Carolina, Alabama, Kentucky, Tennessee, Kansas, and Oklahoma—among others. These states routinely see workers returning to work **34% faster** on average than other non-indexing states.

INDEXING IS A WIN, WIN, WIN FOR ARIZONA

Moving individuals from unemployment to work means lower costs, translating into lower taxes on employers, and an increased trust fund balance.

If SB 1167 is adopted, Arizona would see:



A Stronger Trust Fund

↑ 2.1 billion*



Lower Taxes

\$2.50 → \$1.60**



Fewer Weeks on Unemployment

14.2 ↓ 9.5 weeks***

* Estimated change in UI trust fund balances after indexing
** Effective employer UI tax rates per \$1,000 of wages after indexing
*** Estimated change in average UI duration after indexing

FLORIDA & NORTH CAROLINA—EXAMPLES OF SUCCESS



In 2009, Florida's UI system went insolvent, requiring close to \$2 billion in loans to bail out its trust fund. In 2011, the Florida Legislature enacted indexing to tie unemployment benefits to economic conditions.

The average weeks spent on unemployment dropped from 18.7 in 2011 to 9.2 in 2018, and system costs dropped by 76%. This led to a 79% reduction in UI taxes on businesses by 2018. And from 2012 to January 2020, **Florida's UI trust fund went from \$1.7 billion in the red to \$4.1 billion in the black**, withstanding COVID-19 pressures.



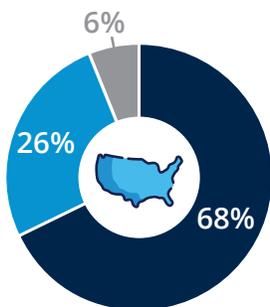
North Carolina's UI system, like Florida, was nearly insolvent in 2009, forced to borrow \$2.7 billion to pay benefits. In 2013, North Carolina adopted Florida and Georgia's UI reforms.

The North Carolina trust fund has grown to more than \$4 billion as of January 2020. In April 2021, **the North Carolina trust fund had \$3.9 billion**, easily withstanding the COVID-19 claims spike.

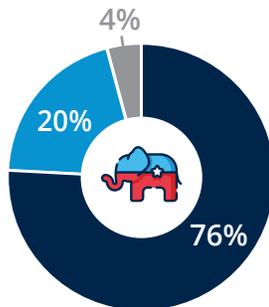
ARIZONA VOTERS SUPPORT UNEMPLOYMENT INDEXING



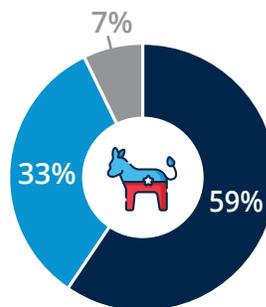
Arizona voters support tying the length of time individuals can remain on unemployment to the state's unemployment rate.



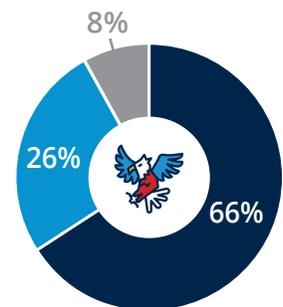
68%
of All voters
SUPPORT



76%
of Republican voters
SUPPORT



59%
of Democrat voters
SUPPORT



66%
of Independent voters
SUPPORT

■ SUPPORT ■ OPPOSE ■ UNSURE

ARIZONA CAN DO THIS

A new Biden administration rule seeks to handcuff states that used federal money to stabilize their unemployment insurance trust fund during the pandemic. **Because Arizona paid back those funds before April 1, 2022, Arizona is exempt from this Biden administration rule.**