

Baseline Projections

Unemployment Compensation and Trade Adjustment Assistance for Workers

The unemployment insurance system is a joint federal and state program that provides temporary weekly benefits (consisting of regular benefits and, in economic downturns, extended and emergency benefits) to qualified workers who are unemployed through no fault of their own. Funding for the program is drawn from payroll taxes imposed on employers both by state governments and by the federal government. The states administer the system, set regular benefit amounts (based in part on recipients' past earnings), and distribute payments. The federal government sets broad guidelines for the system, pays a portion of administrative costs incurred by state governments, and makes repayable advances to states that lack the money to pay benefits promptly.

Recent legislation temporarily expanded unemployment compensation (Pandemic Unemployment Assistance) to people who do not qualify for regular benefits and provided additional weeks of benefits (Pandemic Emergency Unemployment Compensation) to people who exhaust their regular benefits. The legislation also temporarily increased the benefit amount for people receiving unemployment compensation (Federal Pandemic Unemployment Compensation). All of those benefits are federally funded.

The Trade Adjustment Assistance Program, operated by the Department of Labor, provides job training, extended unemployment compensation, and wage insurance benefits to workers who have lost their jobs or seen their wages or hours reduced as a result of international trade. The current authorization expires in June 2022.

Baseline Projections Unemployment Compensation 2022-2022-2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2026 2031 **BUDGET INFORMATION** Millions of dollars, by fiscal year **Budget Authority** 240,731 39,774 36,716 35,897 33,952 32,976 33,693 35,622 37,702 40,334 45.294 179,315 371,960 **Estimated Outlays** 179,542 240,656 39,895 36,821 35,901 33,945 32,980 33,692 35,617 37,695 40,320 45,273 **Unemployment Compensation Programs Regular Benefits Budget Authority** 59,150 38,140 36,145 35,370 33,425 32,450 33,165 35,090 37,165 39,785 44,730 175,530 365,465 **Estimated Outlays** 175.530 365,465 38.140 36.145 35.370 33,425 32,450 33,165 35,090 37.165 39.785 44.730 **Extended Benefits Budget Authority** 4,030 1,045 200 125 130 130 130 130 130 130 130 1,630 2,280 **Estimated Outlays** 4,030 1,045 200 125 130 130 130 130 130 130 130 1,630 2,280 Federal Pandemic Unemployment Compensation **Budget Authority** 75,860 0 0 0 0 O n 0 0 O 0 0 **Estimated Outlays** 75,860 0 0 0 0 O 0 0 0 0 0 Pandemic Emergency Unemployment Compensation **Budget Authority** 46,320 0 0 0 0 0 0 0 0 0 0 0 **Estimated Outlays** 46,320 0 0 0 0 0 0 n 0 0 0 n Pandemic Unemployment Assistance **Budget Authority** 0 0 54,750 200 0 0 0 O 0 O 0 200 200 0 **Estimated Outlays** 54,750 200 0 0 0 O 0 Λ 0 0 200 200 Trade Adjustment Assistance^a **Budget Authority** 621 389 371 402 397 396 398 402 407 419 434 1,955 4,015 **Estimated Outlays** 476 406 390 400 397 397 400 405 546 510 413 2,182 4,194 **DETAIL FOR REGULAR UNEMPLOYMENT BENEFITS** By fiscal year 10.7 First Payments (Millions of people) 6.8 6.4 6.2 5.8 5.5 5.5 5.7 5.8 6.0 6.2 n.a. n.a. Average Weekly Benefit (Dollars) 321 332 340 350 361 372 385 397 411 424 438 n.a. n.a. Duration (Weeks) 17.3 17.0 16.5 16.3 16.0 15.8 15.6 15.6 15.6 15.6 16.6 n.a. n.a. Labor Force (Millions of people) 161.8 163.6 164.5 165.5 166.4 167.2 167.8 168.3 168.8 169.2 169.6 n.a. n.a. Unemployment Rate (Percent) 5.1 4.8 3.9 3.9 4.0 4.2 6.1 4.5 4.1 4.1 4.3 n.a. n.a.

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n.a. = not applicable.

a. Consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, CBO assumes that Trade Adjustment Assistance outlays continue in the baseline after the current authorization expires in June 2022. Those amounts include cash and training benefits.