SHARED WORK: THE LITTLE-KNOWN PROGRAM THAT COULD PREVENT LAYOFFS, RELIEVE STATE BUDGETS, AND BOOST THE ECONOMY

ISSUE BRIEF BY **KITTY RICHARDS** AND **EMILY DIVITO** | MARCH 2021

INTRODUCTION

Over a year into the COVID-19 pandemic, the United States continues to face steep unemployment, lower labor force participation, and ever-increasing strains on state unemployment systems.

One largely untapped solution: Shared Work programs, which—if states used them—could offer a lifeline to struggling workers, businesses, and state budgets.

Shared Work programs permit employers to temporarily reduce hours for all workers in order to avoid layoffs for some, with states partially replacing the lost wages from reduced hours with unemployment insurance benefits.

Even under ordinary economic conditions, Shared Work programs are beneficial. Now that federal relief and recovery legislation has enhanced them, they're an even more powerful tool, and could help states prevent mass layoffs, direct federal dollars to workers, and save state budgets billions in avoided unemployment payments.

This brief:

- explains the particular benefits of Shared Work in the current economic crisis;
- analyzes unemployment data from the pandemic to demonstrate the colossal scale of potential savings to states and of additional payments to workers when states activate and encourage Shared Work; and
- offers policy recommendations—including codifying Shared Work programs into state law, removing barriers to full participation, and upgrading enrollment processes and platforms—to help states maximize the impact of Shared Work on workers, businesses, and state budgets.

SHARED WORK PROGRAMS ARE BENEFICIAL IN THE BEST OF TIMES, AND *VITAL* DURING DOWNTURNS—BUT ONLY IF STATES TAKE ADVANTAGE OF THEM

Short-Time Compensation (STC), colloquially known as "Shared Work" or "work sharing," is a little-known and underused program within Unemployment Insurance (UI) that allows states to partner with employers to avoid layoffs by temporarily reducing hours for all workers (or all those within a specific shift or unit), while providing prorated unemployment insurance benefits to all participants to help replace lost wages. All employees keep their jobs, and though they work reduced hours for a time, they also get relief through the UI system.

Shared Work programs are generally a boon to workers, who can avoid damaging bouts of unemployment caused by fluctuations in business, and to employers, who are able to retain valued staff while responding nimbly to changing economic conditions.

But during economic downturns like the ongoing pandemic recession, Shared Work programs are an especially crucial tool to avert or reverse mass job loss. In part because of a similar program, Germany experienced *no increase in unemployment* during the Great Recession despite suffering a larger drop in GDP than the US (Baker 2019). And estimates suggest that if the US had taken up Shared Work at a similar rate, it could have saved 1 million of the roughly 8 million jobs lost in the Great Recession (Abraham and Houseman 2014).

In the early stages of the current crisis, other countries used similar structures to avoid the steep unemployment that the US has incurred thus far (Saez and Zucman 2020). In spring 2020, when Germany was under lockdown, its work sharing program grew to support 6 million workers, and roughly 2.4 million workers are currently enrolled (Carrel 2021).

Because Shared Work programs can help employers guard against dramatic layoffs, workers most vulnerable to changing economic conditions—namely women and workers of color, who continue to lose jobs at rates alarmingly higher than white men—are primed to disproportionately benefit from such programs. In December 2020 alone, Black and Latinx women accounted for all of the net US jobs lost, and the unemployment rates for all Black and Latinx workers have been consistently higher than the national average throughout the pandemic (Ewing-Nelson 2021; US Bureau of Labor Statistics 2021b). Programs like Shared Work, which keep employees connected to the workforce and keep wages flowing to workers, could have a particularly strong effect on the ability of women and workers of color to weather the recession and regain their earnings potential in the recovery.

Under a Shared Work plan, an employer considering laying off, for example, 40 percent of its workforce could instead enter into an agreement with its state's workforce agency to cut employee hours by 40 percent—reducing payroll costs while keeping all workers on payroll and receiving benefits. All of the firm's workers would then receive 40 percent of the unemployment benefits they'd be entitled to if they were fully unemployed, on top of the wages for hours they are continuing to work.

Because Shared Work programs can help employers guard against dramatic layoffs, workers most vulnerable to changing economic conditions—namely women and workers of color, who continue to lose jobs at rates alarmingly higher than white men—are primed to disproportionately benefit from such programs.

As of April 2020, 27 states and the District of Columbia already had such programs in law; states that don't are able to enter into agreements with the US Department of Labor (DOL) to begin offering them without additional state legislation (National Employment Law Project 2020; United States Department of Labor Employment and Training Administration 2019).[1]

Nonetheless, as of February 2021, only about 2 percent of state unemployment claims are filed through Shared Work programs.[2] This is understandable given the incredible strain that state UI administrations have been under, responding to an unprecedented

[1] Vermont's Shared Work legislation was repealed in July 2020 through legislation enacted earlier that year (S.108 2019).

[2] Authors' calculations based on UI claims data from from the Bureau of Labor Statistics (BLS) (US Department of Labor 2021).

number of claims while also maintaining new systems for other programs under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. But failing to deploy Shared Work aggressively is a huge and costly mistake.

SHARED WORK CAN PREVENT THOUSANDS OF LAYOFFS, SAVE STATES BILLIONS IN UI PAYMENTS, AND PROVIDE BILLIONS IN FEDERAL RELIEF TO WORKERS, BUSINESSES, AND STATE ECONOMIES—IF STATES RAMP UP PROGRAMS *NOW*

The CARES Act strengthened and subsidized Shared Work and encouraged states to use the program to keep workers on company payrolls.

Three particular provisions of the CARES Act allowed states to maximize their Shared Work programs' impact: the full federal funding of Shared Work payments, the pause on employer contributions to many Shared Work programs, and the $600 Federal Pandemic Unemployment Compensation (FPUC) bonus payments to workers on UI (H.R.748 2020). All of these provisions were in full force until July 31, 2020.[3]

The December 2020 relief package extended the Shared Work provisions from CARES and reinstated FPUC at a lower $300 level (H.R.133 2020). The American Rescue Plan, signed into law on March 11, 2021, further extended the full federal funding of Shared Work and the $300 FPUC payments until September 6, 2021 (H.R.1319 2021).

STATES CAN SAVE MILLIONS OF DOLLARS PER WEEK IN UNEMPLOYMENT CLAIMS BY CONVERTING THEM TO FEDERALLY FUNDED SHARED WORK

Ordinarily, Shared Work benefit payments are funded by states through employer taxes—just like regular UI—and employers who use the program pay higher taxes. Under the CARES Act, however, the federal government took over the funding of Shared Work payments in states with programs in law, and suspended employer contributions (H.R. 748 2020).

---

[3] The CARES Act also provided grants to states to cover the costs of administering Shared Work programs.

For the states with Shared Work already in legislation, the federal government will be paying 100 percent of the benefit costs through September 6, 2021 per the American Rescue Plan; for states with DOL agreements but no legislation, the federal government will reimburse 50 percent of the costs, and these states can move to 100 percent reimbursement as soon as they enact legislation (H.R. 1319 2021).

Because shared work replaces/prevents layoffs, these payments directly replace ordinary UI claims, which are paid by states through their UI trust funds. Shared Work could thus convert millions of state UI claims into federal payments.

While recent uptake of Shared Work programs has resulted in the highest level of national usage of such programs ever, only about 2 percent of state UI benefits are currently paid through Shared Work.[4] During the depths of the Great Recession, Rhode Island, the state with the highest Shared Work rates at the time, scaled up its program to account for 9 percent of claims (Abraham and Houseman 2014). Had Rhode Island's rate been matched in other states, the number of US workers covered under Shared Work would have been *10 times* what was actually observed during the Great Recession (Abraham and Houseman 2014).

Under ordinary circumstances, Shared Work benefits both workers and employers by reducing the human costs of total unemployment and the productivity costs of employee turnover. When coupled with additional FPUC benefits, Shared Work is also a powerful tool to move money to workers and state economies.

SHARED WORK MAKES ALL PARTICIPATING EMPLOYEES ELIGIBLE FOR THE PANDEMIC WEEKLY BONUS

As described above, the American Rescue Plan provides that any worker receiving any UI benefits—including Shared Work payments—is eligible for an additional $300 per week in FPUC payments through September 6, 2021 (H.R. 1319 2021).

Under ordinary circumstances, Shared Work benefits both workers and employers by reducing the human costs of total unemployment and the productivity costs of employee turnover. When coupled with additional FPUC benefits, Shared Work is also a powerful tool to move money to workers and state economies.

4 Authors' calculations based on UI claims data from the BLS (US Department of Labor 2021).

With FPUC in place, many workers can earn more participating in shared work than they were previously earning, through the combination of UI, FPUC, and the wages they will continue to receive for the hours that they do work. Workers also get the benefit of a part-time schedule. Further, shared work extends FPUC not only to workers who would otherwise have been laid off, but to their coworkers as well, allowing all workers to stay on the job at reduced hours but receive the bonus UI payments. This obviously benefits workers and state economies, but it also benefits employers—who are able to reduce payroll costs without harming employees—and ensures they can ramp up production without forcing employees to lose their FPUC benefits when they are rehired.

By allowing laid-off workers to keep their FPUC bonus and their wages if hired back part-time, Shared Work also acts as a sort of pseudo—hazard pay during the pandemic, making it easier for employers to phase in reopening as state lockdowns continue to lift.

STATES CAN USE SHARED WORK TO SECURE FEDERAL WAGE SUBSIDIES FOR *CURRENTLY EMPLOYED WORKERS*—BRINGING BILLIONS IN FEDERAL STIMULUS INTO STATE ECONOMIES AND SUPPORTING WORKERS AND FAMILIES

Shared Work benefits do not only flow to those who have been laid off or those who may be laid off soon. They also flow to these employees' coworkers, who voluntarily reduce their own hours and receive Shared Work benefits as partial compensation.

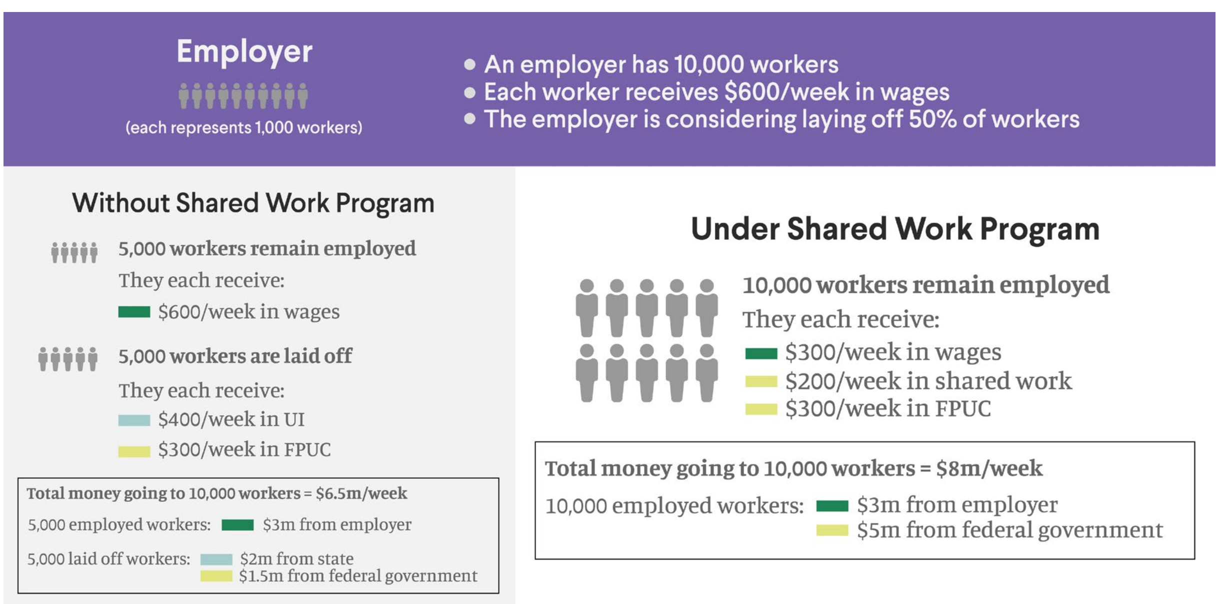
In ordinary times, workers who are not themselves at risk of layoff, but who agree to voluntarily reduce their hours under a Shared Work plan so that all company layoffs are averted, nonetheless gain higher hourly wages (as hours are reduced but pay is partially replaced through prorated UI benefits) and enhanced job security (as the Shared Work system allows their employer to avoid future layoffs).

During the current economic crisis, these benefits are even greater. Many workers are struggling with caregiving responsibilities. With only limited help available through the CARES Act, women have taken on the lion's share of this work, and the results have fallen especially hard on Black and brown women (Kashen, Glynn, and Novello 2020). Reduced hours combined with partial wage replacement can provide some much-needed support for overburdened workers.

Furthermore, the additional FPUC payments dramatically increase the benefits of Shared Work to workers and their local economies. Since the reduction in hours for Shared Work can be as little as 10 percent under federal law, an employer could end up cutting 10 workers' hours by 10 percent to avoid laying off one worker. So, for every worker who is rehired, or whose firing is avoided in the first place, up to nine additional workers are enrolled in Shared Work and each of them receives the additional $300 per week in FPUC.

Imagine an employer with 10,000 employees earning $600 per week on average that just laid off 50 percent of its workforce. Assume that the laid-off employees receive, on average, $400 in state UI benefits. Currently, 5,000 employees are still working and receiving their full wages of $600 per week, while 5,000 are unemployed and receiving $400 in state UI, plus $300 per week in FPUC, for a total of $700 per week—$100 more than their previous weekly wage. The employer is paying $3 million in weekly wages, the state is paying $2 million in UI benefits, and the federal government is paying $1.5 million in FPUC, for a total of $6.5 million flowing to workers weekly.

Now imagine the state workforce agency enrolls this single employer in Shared Work, and the employer rehires all 5,000 laid off workers while cutting everyone's hours by 50 percent. Now all 10,000 workers are working 50 percent time and receiving $300 in wages (50 percent * $600) + $200 in UI + $300 FPUC for a total of $800 per worker per week, or a total of $8 million flowing to workers weekly. The employer is still paying $3 million in wages each week, but all of the UI benefits are now federally funded through Shared Work and FPUC. The state has just directly saved $2 million per week in UI payments, and pulled an additional $1.5 million per week in federal funding into the pockets of workers.



Under federal Shared Work regulations, the percentage reduction in hours for the affected workforce matches the percentage of workers the employer would otherwise have to lay off, and this percentage must be no less than 10 percent and no more than 60 percent.[5]

While the largest direct savings to state budgets come from targeting employers with large layoffs, the largest *additional* federal stimulus effects come from enrolling employers that are dealing with smaller reductions in business. This is because under a Shared Work plan, a company facing a 10 percent drop in business and considering a comparably sized layoff would be able to secure federally reimbursed UI payments and the additional FPUC bonus for *all* of its employees.

In the example above, 5,000 layoffs were averted, and 5,000 additional workers received FPUC. If a state workforce agency were able to identify a 50,000-employee company that had experienced a 10 percent drop in business and was considering 5,000 layoffs, then 45,000 additional workers would receive FPUC. That's the same $2 million per-week savings for the state in forgone UI payments, plus an additional $13.5 million in federal funding for state workers every week that FPUC continues.

The table below illustrates the direct budget savings and additional federal payments to workers that each state could achieve by converting just 20 percent of UI claims into Shared Work, assuming that these employers had laid off an average of one in five workers.[6]

The results are remarkable. In February alone, states could have saved $1.4 billion in UI spending and secured $4.8 billion in additional federal stimulus for their economies. Though UI claims are trending downward, states can still take advantage of the benefits of Shared Work and protect themselves from a worsening labor market by ramping up their programs now.

---

5 These limits may vary by state (Herman 2019).

6 These assumptions are illustrative. The real values will depend on the mix of employers, the concentration of layoffs, and the wage profile of the affected employees. Smaller layoffs will yield larger additional stimulus, as more coworkers will be eligible for FPUC for each avoided layoff.

TABLE 1. STATES CAN SAVE MILLIONS OF DOLLARS PER WEEK AND PROVIDE MILLIONS MORE IN FPUC BENEFITS TO WORKERS BY REPLACING ONE IN FIVE LAYOFFS WITH SHARED WORK

State	State Ordinary UI Claims for Week Ending February 6	Weekly State UI Savings from Converting 20% of UI Claims to Shared Work	Extra Weekly FPUC Payments Flowing to Workers Assuming Five Shared Work Claims for Each Averted Layoff
Alabama	17,313	$995,567	$4,155,120
Alaska	17,402	$1,050,385	$4,176,480
Arizona	68,986	$3,286,907	$16,556,640
Arkansas	22,475	$1,117,907	$5,394,000
California	728,794	$44,782,934	$174,910,560
Colorado	70,188	$5,346,781	$16,845,120
Connecticut	83,429	$6,073,631	$20,022,960
Delaware	13,834	$686,056	$3,320,160
District of Columbia	22,239	$1,541,474	$5,337,360
Florida	228,808	$10,689,452	$54,913,920
Georgia	139,232	$7,575,613	$33,415,680
Hawaii	22,142	$1,954,519	$5,314,080
Idaho	15,074	$1,059,160	$3,617,760
Illinois	274,676	$19,962,353	$65,922,240
Indiana	77,782	$3,850,520	$18,667,680
Iowa	46,963	$3,994,109	$11,271,120
Kansas	24,094	$2,085,432	$5,782,560
Kentucky	46,630	$3,031,043	$11,191,200
Louisiana	54,587	$2,106,840	$13,100,880
Maine	17,274	$1,163,369	$4,145,760
Maryland	64,776	$4,278,455	$15,546,240
Massachusetts	163,138	$17,006,810	$39,153,120
Michigan	195,631	$13,181,226	$46,951,440
Minnesota	115,848	$10,091,519	$27,803,520
Mississippi	28,987	$1,103,071	$6,956,880
Missouri	54,570	$2,770,737	$13,096,800
Montana	17,094	$1,608,443	$4,102,560
Nebraska	15,802	$1,081,457	$3,792,480
Nevada	77,310	$5,739,804	$18,554,400

Source: Authors' calculations using UI claims data from February 2021 (US Bureau of Labor Statistics 2021c) and the most recently available average UI benefit amounts from January 2021 (US Department of Labor Employment and Training Administration 2021).

TABLE 1. STATES CAN SAVE MILLIONS OF DOLLARS PER WEEK AND PROVIDE MILLIONS MORE IN FPUC BENEFITS TO WORKERS BY REPLACING ONE IN FIVE LAYOFFS WITH SHARED WORK (CONTINUED)

State	State Ordinary UI Claims for Week Ending February 6	Weekly State UI Savings from Converting 20% of UI Claims to Shared Work	Extra Weekly FPUC Payments Flowing to Workers Assuming Five Shared Work Claims for Each Averted Layoff
New Hampshire	26,750	$1,494,576	$6,420,000
New Jersey	142,647	$12,650,221	$34,235,280
New Mexico	37,719	$2,380,069	$9,052,560
New York	454,308	$32,489,382	$109,033,920
North Carolina	69,713	$3,097,209	$16,731,120
North Dakota	9,743	$948,013	$2,338,320
Ohio	174,614	$13,035,284	$41,907,360
Oklahoma	34,061	$2,428,277	$8,174,640
Oregon	76,808	$5,791,170	$18,433,920
Pennsylvania	324,160	$23,628,022	$77,798,400
Puerto Rico	31,802	$1,267,882	$7,632,480
Rhode Island	28,311	$2,238,211	$6,794,640
South Carolina	45,666	$2,020,994	$10,959,840
South Dakota	5,661	$408,181	$1,358,640
Tennesse	53,974	$2,406,053	$12,953,760
Texas	354,930	$29,196,542	$85,183,200
Utah	16,560	$1,414,356	$3,974,400
Vermont	12,834	$969,865	$3,080,160
Virgin Islands	2,330	$194,215	$559,200
Virginia	62,624	$3,649,100	$15,029,760
Washington	148,427	$13,610,756	$35,622,480
West Virginia	22,854	$1,278,316	$5,484,960
Wisconsin	104,222	$6,399,856	$25,013,280
Wyoming	5,551	$10,091,519	$1,332,240
United States	4,971,347	$344,474,576	$1,193,123,280

Source: Authors' calculations using UI claims data from February 2021 (US Bureau of Labor Statistics 2021c) and the most recently available average UI benefit amounts from January 2021 (US Department of Labor Employment and Training Administration 2021).

Using the Congressional Budget Office's average economic multiplier for transfer payments to lower-wage workers, these FPUC payments would have created nearly $6 billion in additional economic activity in the month of February 2021 (Richards 2020).

All of this additional economic activity would also feed back to state budgets. UI payments can be taxed as income by states and localities,[7] and all of the additional spending would be subject to taxes as it rippled through the economy.

STATES CAN PARTICIPATE IN SHARED WORK AS EMPLOYERS, ELIMINATING DEVASTATING PUBLIC-SECTOR LAYOFFS

While states should absolutely move quickly to ramp up private-sector participation in Shared Work for all of the above benefits, the highest-value use of the program may be for state and local government employees themselves.

State and local governments employed nearly 20 million US workers in February 2020 (US Bureau of Labor Statistics 2021a). These public-sector workers, disproportionately women and Black people, have been particularly impacted by the pandemic-related employment declines, and remain especially vulnerable to looming state and local budget shortfalls (Wolfe and Kassa 2020).

As of February 2021, state and local government employment had dropped by 1.4 million workers from pre-pandemic levels (Gould 2021). Almost three-quarters of these job losses—or 1 million—occurred in the education sector alone (Gould 2021).

The American Rescue Plan includes robust aid to state and local governments, and these governments should move quickly to restore and improve core government services. To the extent that states and localities still face unmet budget needs, revenue increases should be the first line of defense. However, where reductions in work cannot be avoided, especially where governments must change the mix of employees to respond nimbly to changing conditions, Shared Work should be used liberally to preserve public-sector employment while shifting payroll costs to the federal government (Richards 2020).

If states and localities implemented Shared Work plans to immediately bring back laid-off school employees, this single change could restore hundreds of thousands of jobs;

[7] States that have not already instituted default tax withholding for UI checks should move to do this quickly. Withholding allows states to access tax revenue in real time and, more importantly, prevents taxpayers from facing large unexpected bills at tax filing time.

reduce the hours demanded of all school employees; and entitle them all to federal UI payments and, at least until September 2021, $300 per week in FPUC—potentially giving a significant *raise* to the majority of enrolled employees while relieving school districts of the same salary costs as the layoffs.

Michigan is an exemplary case of a state using Shared Work to avoid public-sector layoffs and direct federal dollars into its budget. Governor Gretchen Whitmer utilized Shared Work early in the pandemic to save the state millions in wages and prevent thousands of layoffs. Between May 17 and July 25 of last year, 31,000 Michigan state employees—more than half the state's 48,295—took one furlough day per week, saving the state $80 million in wages and millions more in unemployment insurance payments, while supporting these workers and their families with reduced hours and increased pay (LeBlanc 2020).

STATES CAN LEVERAGE FEDERAL FUNDS AND ADJUST STATE POLICIES TO INCREASE USAGE OF SHARED WORK, BUT THEY MUST ACT AGGRESSIVELY

Given the many benefits of the Shared Work program to state budgets, workers, businesses, and economies, states should immediately devote administrative time and resources to increasing uptake of these programs. In some states this will mean creating a completely new program, while in others it will mostly mean outreach to employers and increased staffing and resources devoted to enrolling businesses and workers. There are also legislative and policy changes that are needed to make existing state programs more accessible.

The CARES Act allocated $100 million in formula grants for states to create and promote Shared Work programs (US Department of Labor 2020a). States that have not yet used these funds can and should do so, and all states should hire dedicated Shared Work staff and begin ramping up their programs.

NEXT STEPS

The states without Shared Work in law should draft and enact legislation as quickly as possible, entering into the 50 percent reimbursement agreement with the DOL until the new state law can be enacted.

All states should maximize Shared Work accessibility in legislation by:

- Waiving experience rating and charging for reimbursing employers throughout the pandemic, just as for ordinary UI.[8]
- Removing any bars to participation not required in federal law. For example, some states only allow full-time workers to participate, despite part-time workers—disproportionately women—being eligible under federal law (US Bureau of Labor Statistics n.d.). Others bar classes of employers from participating based on their experience ratings (Wentworth, McKenna, and Minick 2014).[9] Any such restriction will reduce the accessibility and efficacy of Shared Work programs.
- Ensuring that all definitions are tailored to create administrative ease and increase accessibility and retroactivity. For example, an employee's "normal weekly hours" for purposes of calculating their work-share reduction can be established by simply asking the employer what schedule the employee typically works rather than by defining "normal hours" in reference to averages over specific periods, which requires more recordkeeping and makes it difficult for Shared Work to apply to rehired workers who have been off the job for weeks.[10]
- Ensuring that states' legal definitions of "seasonal employment"—for which Shared Work cannot be used—do not erroneously classify large numbers of employees as seasonal.

---

8 The tax rate paid by employers is "experience-rated" so that it is higher for the employers that use the UI system more. Governmental employers, tribal employers, and nonprofit organizations are permitted to opt out of experience-rated taxes and directly reimburse the state dollar-for-dollar for any UI benefits paid. Under the CARES act, states are encouraged to waive experience rating. Employers are not at fault for the current spike in unemployment, and they should not have to repay Shared Work benefits if they use the program. Further, if employer charging is waived in ordinary UI but not Shared Work, it will make layoffs much more financially attractive than Shared Work.

9 Making employers ineligible because they are new employers, or are in high-turnover industries, only serves to increase layoffs and traditional UI costs to states.

10 If seasonality is based on ebbs and flows in business over the course of a typical year, it will miss that some industries are experiencing drops in business during what should be a high season. For example, hotels were nearly shuttered this past summer even as the usual travel season peaked. Those affected businesses should be able to use Shared Work for this period and the recession following, which is very different from using Shared Work during the typical, predictable business off-season.

All states should make the enrollment process as simple and secure as possible.

All that is required on the employer side is a short application, sign-off from collective bargaining agents, and a list (with Social Security numbers and other personal information) of all participating employees. Generally, employees must then apply for their UI benefits through the ordinary system. These processes should be streamlined to whatever degree possible.

All states should immediately devote time, people, and money to enrollment.

State workforce agencies have been given a nearly impossible task over the past several months, and their systems are creaking—and sometimes collapsing—under the weight. But this is not a reason to forgo billions in federal aid to state budgets and residents.

- States should immediately hire multiple Shared Work specialists to reach out to employers and workers to get them enrolled in the program. Enrollment of a single large employer could save the state UI program 10 times the payroll cost of an additional state employee.
- States should consider a mixture of targeted automation and brute force data entry to get as many people enrolled as possible.[11]

Simultaneously, the federal government can maximize the impact that Shared Work has on workers, employers, and state budgets by both making *permanent* provisions of the CARES Act that have expanded these programs and taking further action to bolster them.

Namely, the federal government should permanently:

- Eliminate employer-charging to Shared Work programs;
- Reimburse states 100 percent of the cost of Shared Work benefits, including for states without Shared Work programs in law;
- Integrate automatic triggers that activate federal bonus payments during every economic downturn;
- Eliminate the ban on use of Shared Work by seasonal and temporary workers;
- Increase the allowable hours reduction to at least 80 percent;

---

[11] Ideally, each state will have a robust data infrastructure with simple, secure forms for both employers and employees, and a back-end system that ensures seamless enrollment, eligibility determinations, and payment. In reality, many states will need to manually enroll each Shared Work applicant and cross-reference their Social Security number with Shared Work plans to mark each as a Shared Work applicant. This is frustrating, but more than worth it. Additionally, while there is no time to create elegant tech solutions now, states can get far with a combination of simple scripting and large investments in manual data entry.

- Direct the federal DOL to build a streamlined portal to enroll workers and employers, staff a hotline, and provide grants to navigators to boost enrollment; and
- Consider fully federalizing the Shared Work program to secure funding, leverage economies of scale, and make Shared Work simpler for multistate employers.

CONCLUSION

Shared Work is an advantageous program in the best of times, and it's even more vital during downturns.

States should act now—while the federal government covers 100 percent of state costs and FPUC bonus payments are in place—to ramp up their Shared Work programs, thereby reversing mass layoffs, directing billions of federal dollars into their economies, and offering both their workers and employers a crucial tool to better navigate the pandemic.

APPENDIX

When pandemic-related UI claims peaked in May 2020, the CARES Act provided for $600 per week in FPUC benefits. Had states converted one in five of those layoffs to Shared Work, they could have saved $1.4 billion weekly in forgone UI payments and secured $10.9 billion weekly in additional federal dollars to workers. But for the week ending May 9, 2020, less than 0.8 percent of state unemployment claims were filed through Shared Work (US Department of Labor 2020b), meaning states forwent billions of federal dollars that could have been funneled back into their economies.

TABLE 2. AT THE PEAK OF PANDEMIC JOB LOSS, STATES COULD HAVE SAVED BILLIONS OF DOLLARS PER WEEK IN UI PAYMENTS AND PROVIDED BILLIONS MORE IN FPUC BENEFITS TO WORKERS HAD THEY REPLACED 20 PERCENT OF LAYOFFS WITH SHARED WORK

	Total Ordinary UI Claims in All States for Week Ending May 9	Total Weekly UI Savings from Converting 20% of UI Claims to Shared Work	Extra Weekly FPUC Payments Flowing to Workers Assuming Five Shared Work Claims for Each Averted Layoff
United States	22,794,138	$1,456,226,300	$10,941,186,240

Source: Authors' calculations using UI claims data from May 2020 (US Bureau of Labor Statistics 2020a), and average UI benefit amounts from May 2020 (US Department of Labor Employment and Training Administration 2020).

REFERENCES

American Rescue Plan Act of 2021, H.R. 1319, 117th Cong. (2021). https://www.congress.gov/bill/117th-congress/house-bill/1319.

Abraham, Katharine G., and Susan N. Houseman. 2014. "Proposal 12: Encouraging Work Sharing to Reduce Unemployment." in *Policies to Address Poverty in America*, edited by Melissa S. Kearney and Benjamin H. Harris, 129-135. Washington, DC: The Hamilton Project. https://www.hamiltonproject.org/papers/encourage_work_sharing_to_reduce_unemployment.

Baker, Dean. 2019. *The Rollback of Worker Protections and the Culture of Long Hours Leave Our Economy More Vulnerable to the Next Recession*. Washington, DC: Center for Economic and Policy Research. https://cepr.net/report/the-rollback-of-worker-protections-and-the-culture-of-long-hours-leave-our-economy-more-vulnerable-to-the-next-recession/.

Carrel, Paul. 2021. "German Unemployment Unexpectedly Rises in February." *Reuters*, March 3, 2021. https://www.reuters.com/article/us-germany-economy-unmployment-idUSKBN2AU0TO.

Consolidated Appropriations Act, 2021, H.R. 133, 116th Cong. (2020). https://www.congress.gov/bill/116th-congress/house-bill/133/text?r=85&s=2.

Coronavirus Aid, Relief, and Economic Security Act, H.R. 748, 116th Cong. (2020). https://www.congress.gov/bill/116th-congress/house-bill/748.

Ewing-Nelson, Claire. 2021. "All of the Jobs Lost in December Were Women's Jobs." National Women's Law Center, January 2021. NWLC. https://nwlc.org/wp-content/uploads/2021/01/December-Jobs-Day.pdf.

Gould, Elise. 2021. "Jobs Report Shows More Than 25 Million Workers Are Directly Harmed by the COVID Labor Market." Economic Policy Institute, March 5, 2021. https://www.epi.org/press/jobs-report-shows-more-than-25-million-workers-are-directly-harmed-by-the-covid-labor-market-congress-must-pass-the-full-1-9-trillion-relief-package-immediately/.

Herman, Zach. 2019. "Work Share Programs." National Conference of State Legislatures, January 9, 2019. https://www.ncsl.org/research/labor-and-employment/work-share-programs.aspx.

Kashen, Julie, Sarah Jane Glynn, and Amanda Novello. 2020. *How COVID-19 Sent Women's Workforce Progress Backward*. Washington, DC: Center for American Progress. https://www.americanprogress.org/issues/women/reports/2020/10/30/492582/covid-19-sent-womens-workforce-progress-backward/.

LeBlanc, Beth. 2020. "Michigan Plans to Furlough 64% of Workforce, Save $80M to Deal with Budget Woes." *Detroit News*, May 13, 2020. https://www.detroitnews.com/story/news/local/michigan/2020/05/13/michigan-plans-furlough-64-percent-workforce-save-80-m/5182528002/.

National Employment Law Project. 2020. "Virginia First State to Enact New Work-Sharing Law During Pandemic to Help Employers Avoid Layoffs." News release, April 27, 2020. https://www.nelp.org/news-releases/virginia-first-state-enact-new-work-sharing-law-pandemic-help-employers-avoid-layoffs/.

Richards, Kitty. 2020. *Bolstering State Economies by Raising Progressive Taxes*. New York: Roosevelt Institute. https://rooseveltinstitute.org/publications/bolstering-state-economies-by-raising-progressive-taxes/.

Saez, Emmanuel, and Gabriel Zucman. 2020. "Jobs Aren't Being Destroyed This Fast Elsewhere. Why Is That?" *New York Times*, March 30, 2020, sec. Opinion. https://www.nytimes.com/2020/03/30/opinion/coronavirus-economy-saez-zucman.html.

US Bureau of Labor Statistics (BLS). 2021a. "Employed and Unemployed Full- and Part-Time Workers by Age, Sex, Race, and Hispanic or Latino Ethnicity." Labor Force Statistics from the Current Population Survey. Last updated January 22, 2021. https://www.bls.gov/cps/cpsaat08.htm.

US Bureau of Labor Statistics (BLS). 2021b. "Unemployment Rates by Age, Sex, Race, and Hispanic or Latino Ethnicity." Labor Force Statistics from the Current Population Survey. Last updated January 8, 2021. https://www.bls.gov/web/empsit/cpsee_e16.htm.

US Bureau of Labor Statistics (BLS). n.d. "Employment by Industry." From BLS Graphics for Economic News Releases. Accessed March 15, 2021. https://www.bls.gov/charts/employment-situation/employment-levels-by-industry.htm.

US Department of Labor (DOL). 2020a. "UPDATED: US Department of Labor Issues Guidance Announcing the Availability of $100 Million in Short-Time Compensation Grant Funds for States." News release, May 11, 2020. https://www.dol.gov/newsroom/releases/eta/eta20200511.

US Department of Labor (DOL). 2020b. "Unemployment Insurance Weekly Claims (Week Ending May 9, 2020)." News release, May 21, 2020. https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/ui-claims/20201058.pdf.

US Department of Labor (DOL). 2020c. "Unemployment Insurance Weekly Claims (Week Ending May 16, 2020)." News release, May 28, 2020. https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/ui-claims/20201122.pdf.

US Department of Labor (DOL). 2021. "Unemployment Insurance Weekly Claims (Week Ending February 6, 2021)." News release, February 25, 2021. https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/ui-claims/20210365.pdf.

US Department of Labor Employment and Training Administration (DOLETA). 2019. "Short-Time Compensation." DOLETA, November 1, 2019. https://oui.doleta.gov/unemploy/docs/stc_fact_sheet.pdf.

US Department of Labor Employment and Training Administration (DOLETA). 2020. "Summary Data for State Programs, By State, Report Period for 05/2020." From Monthly Program and Financial Data. https://oui.doleta.gov/unemploy/claimssum/5159report.asp.

US Department of Labor Employment and Training Administration (DOLETA). 2021. "Summary Data for State Programs, By State, Report Period for 01/2021." From Monthly Program and Financial Data. https://oui.doleta.gov/unemploy/claimssum/5159report.asp.

Vermont General Assembly. *An Act Relating to Employee Misclassification*, SB 108 (Act 85). Introduced in Senate February 19, 2019. https://legislature.vermont.gov/bill/status/2020/S.108.

Wentworth, George, Claire McKenna, and Lynn Minick. 2014. *Lessons Learned: Maximizing the Potential of Work-Sharing in the United States*. New York: National Employment Law Project. https://www.nelp.org/publication/lessons-learned-maximizing-the-potential-of-work-sharing-in-the-united-states/.

Wolfe, Julia, and Melat Kassa. 2020. "State and Local Governments Have Lost 1.5 Million Jobs since February: Federal Aid to States and Localities Is Necessary for a Strong Economic Recovery." Working Economics Blog, July 29, 2020. Economic Policy Institute. https://www.epi.org/blog/state-and-local-governments-have-lost-1-5-million-jobs-since-february-federal-aid-to-states-and-localities-is-necessary-for-a-strong-economic-recovery/.

ABOUT THE AUTHORS

Kitty Richards is a freelance policy consultant, Roosevelt fellow, and strategic advisor to the Groundwork Collaborative. She has previously worked on federal budget and tax policy at several think tanks, including the Center on Budget and Policy Priorities and the Center for American Progress, and has served as an economic policy staffer on Capitol Hill and in the White House. She also spent several years working on local issues, as chief of staff to DC Councilmember Elissa Silverman and as acting executive director of the DC Fiscal Policy Institute, managing staff and working on a wide range of issues including tax and budget policy, workforce policy, housing and homelessness, and paid leave. She contributed to the enactment and implementation of the Universal Paid Leave Act, passed in 2016, which established a social insurance fund for paid family and medical leave for DC workers. The fund began paying benefits in July 2020. Kitty received her bachelor's degree in biochemistry and molecular biology from Reed College, and her JD from the New York University School of Law, as part of the Leadership Program in Tax Law and Fiscal Policy.

Emily DiVito is the program manager for the corporate power program at the Roosevelt Institute. She works with the corporate power team and Roosevelt fellows on issues related to unchecked corporate influence, wealth concentration in today's economy, and consumer protections.

ACKNOWLEDGMENTS

The authors thank George Wentworth, Liz McNichol, Meg Wiehe, and Bharat Ramamurti for their comments and insight. Roosevelt staff Suzanne Kahn, Matt Hughes, Sonya Gurwitt, Tayra Lucero, and Victoria Streker contributed to the project.

ROOSEVELT INSTITUTE

ABOUT THE ROOSEVELT INSTITUTE

The Roosevelt Institute is a think tank, a student network, and the nonprofit partner to the Franklin D. Roosevelt Presidential Library and Museum that, together, are learning from the past and working to redefine the future of the American economy. Focusing on corporate and public power, labor and wages, and the economics of race and gender inequality, the Roosevelt Institute unifies experts, invests in young leaders, and advances progressive policies that bring the legacy of Franklin and Eleanor into the 21st century.