

Striking a Balance: The Role of Unemployment Insurance in Supporting Minnesota Workers

Minnesota's economy is marked by a growing disparity between corporate profits and workers' wages, making it difficult for workers to advocate for fair treatment without risking economic hardship. To create a more level playing field between workers and wealthy corporations, **Minnesota should extend Unemployment Insurance (UI) to striking workers.** Our "Striking a Balance" report highlights the negligible costs, historical precedent, and critical financial support associated with extending UI benefits, and reinforces the importance of empowering workers without the fear of economic consequences.

DEBUNKING THE MYTHS



IT IS TOO COSTLY

- From 1993 to 2023, there were **only 22 strikes in Minnesota involving more than 1,000 workers**, and most of these strikes ended within two weeks.
- Extending UI benefits to striking workers would result in **less than 200 additional eligible workers each month**, and less than 50% of eligible workers historically claim their UI benefit.
- This provision would account for only **0.2% of ongoing UI claims**, and 0.3% of total UI disbursements in Minnesota.

Table 1: Cost of Extending UI Benefits to Striking Workers in Minnesota

# of workers striking more than 8/14 days in last 24 months	4,781/4,701
Estimated # of monthly workers eligible for UI	196 to 199
% of eligible workers who claim UI in Minnesota	49.5%
Estimated # of monthly striking workers claiming UI	97 to 99
Average # of monthly UI claims in Minnesota	42,928
Estimated striking worker claims as a % of statewide UI claims	0.2%
Minnesota state average weekly UI benefit	\$524.75
Average duration of strikes over 8/14 days	4/5 weeks
Estimated monthly benefit per striking worker claiming UI	\$2,099 to \$2,624
Total estimated UI benefits for all striking workers:	\$203,603 to \$259,776
Average monthly UI benefits paid in Minnesota:	\$81,743,858
Striking worker UI benefits as a % of all statewide UI benefits:	0.3%

Source: Authors' analysis of state Unemployment Insurance weekly claims data from U.S. Department of Labor, Employment and Training Administration, and strike participant data from the Labor Action Tracker, a project of Cornell University's ILR School and the University of Illinois' LER School, January 2022–December 2023.



STRIKING WORKERS SHOULD BE INELIGIBLE FOR UI

- The UI program was designed to support workers, alleviate individual hardship, and protect the economy. **Making striking workers eligible for UI aligns with the program's intent** and creates benefits that far outweigh the minimal costs.
- New York's unemployment policy, which served as a model for the national program, recognized striking workers as an eligible population from the first implementation of UI programming, and they should continue to be seen as eligible today.



EXPANDING UI DISINCENTIVIZES WORK

- UI benefits do not discourage work** as they only replace a portion of income without providing additional work-related benefits like health insurance.
- More than half of all unemployed people returned** to work before their \$600 UI supplement expired during the pandemic, **even though most of these jobs paid them less than the supplemented UI benefit.**



WHY EXTENDING UI IS CRITICAL

- Today, **CEOs make 344x more than their average worker.** Corporations know that their healthy profits can keep them afloat as they wait out struggling workers who are unlikely to be able to go without a paycheck.
- Expanding UI benefits supports workers by providing them with a greater ability to maintain their gains in the labor market and **exercise their collective voice when dealing with abuse** from increasingly wealthy corporations.
- Striking workers will spend their UI benefits in their communities**, ensuring that their push for better pay and working conditions does not lead to a broader downturn in their local economy.
- This strategic move ensures workers have essential financial support during strikes, protects a strong economy, and supports the retention of good jobs, all at a minimal cost.

Minnesota has the opportunity to lead in restoring balance to labor relations and create a level playing field in negotiations by extending UI benefits to striking workers. By alleviating the hardships workers face, supporting workers' communities, and helping them better advocate for themselves in negotiations with wealthy corporations, this policy change can substantially impact worker power and quality of life in Minnesota.



To view the full report, scan the QR code, or visit northstarpolicy.org.

QUESTIONS?

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