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Testimony presented to the Connecticut Joint Committee on Labor and Public Employees in support of SB 8 and HB 6904

Connecticut can provide unemployment insurance for striking workers

Testimony • By Daniel Perez • February 13, 2025

EPI's Daniel Perez delivered the following written testimony before the Connecticut Senate Committee on Labor and Business on February 13, 2025, in support of SB 8—an act concerning protections for workers and enhancements to workers' rights, and HB 6904—an act concerning unemployment benefits for striking workers.

Senator Kushner, Representative Sanchez, and members of the Labor and Public Employees Committee, thank you for convening this hearing. My name is Daniel Perez, and I'm an Economic Analyst at the Economic Policy Institute (EPI). EPI is a nonprofit, nonpartisan think tank that uses the tools of economics to research policies that protect and improve the economic conditions of low- and middle-wage workers.

Today I am here to share research evaluating the economic impact of SB 8 and HB 6904. Under current Connecticut law, workers who go on strike are disqualified from receiving unemployment insurance (UI) benefits. This legislation would remove that disqualification for workers involved in labor disputes lasting longer than 14 days.

Extending UI eligibility to strikers would provide meaningful benefits to workers with little to no impact on Connecticut's UI system

EPI modeling of publicly available UI[1] and strike[2] data, suggests that Senate Bill 8 and HB 6904 will result in minimal costs to the state of Connecticut, just 0.04% of the state's total UI expenditures.

Applying a more generous assumption—that 100% of all eligible strikers would apply for and receive benefits, the impact to the state trust fund would still amount to just one-tenth of 1% of statewide UI expenditures (0.1%).

SB 8 and HB 6904 stipulate a 14-day waiting period before striking workers would be eligible to apply for benefits. Strike data indicate that over half (57%) of all strikes end within two days.[3] In Connecticut specifically over the past four years, the median strike duration has been three days.

Table 1

Estimated benefits for strikers would account for just 0.04% of total statewide UI expenditures

Estimated UI benefits for strikers compared with statewide UI expenditures, 2021–2024

a	SB 8 waiting period	14 days	
b	Qualifying strikes, 2021–2024	2	
c	Eligible strikers	1,750	
d	State UI recipiency rate, 2023	37.3%	
e	Strikers who apply for benefits	653	$= c \times d$
f	UI average weekly benefit amount	$397.18	
g	Avg duration of qualifying strikes	3.5 weeks	
h	Estimated benefits paid to strikers, 2021–2024	$907,750	$= e \times f \times g$
i	State UI expenditures, 2021–2024	$2,344,478,976	
j	Striker benefits as % of UI expenditures	0.04%	$= h \div i$
	Assuming 100% recipiency		
k	Estimated benefits paid to strikers, 2021–2024	$2,432,716	
l	Striker benefits as % of UI expenditures	0.10%	$= k \div i$

Notes: Small differences in multiplication are due to rounding. Labor Action Tracker data cover strikes that occurred between January 2021 and November 2024. Unemployment insurance recipiency rates are based on data from 2023. State UI expenditure data span January 2021 through November 2024. Average weekly benefit amount is calculated by dividing benefits paid by weeks compensated.

Source: EPI analysis of strike data from Cornell University ILR School & University of Illinois LER School's Labor Action Tracker, January 2021–November 2024; unemployment insurance recipiency rates and monthly program data from the U.S. Department of Labor; and industry employment data from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, March 2023.

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Table 2

Connecticut strike durations by decile, 2021–2024

Strike duration deciles	Strike duration (in days)
10th	1
20th	2
30th	2
40th	2
Median	**3**
60th	3
70th	3.5
80th	5
90th	15
Proposed eligibility waiting period	7 days
Strikes in sample	(n=16)

Source: EPI Analysis of strike data from the Cornell University ILR School & University of Illinois LER School's Labor Action Tracker, January 2021–November 2024.

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The impact of this policy extends beyond workers on strike

Strike data also reveal that SB 8 and HB 6904 would only apply to the small share of labor disputes that are prolonged. That is because strikes are generally rare and typically only pursued by workers as a measure of last resort. When workers do make the difficult decision to strike, they face significant pay cuts and risk losing benefits and possibly even their jobs.

Further, the data from Labor Action Tracker (a joint project of the Cornell University ILR School and the University of Illinois LER school) show no increase in strike frequency in New Jersey since the state reduced the eligibility waiting period for striking workers to collect unemployment insurance from 30 to 14 days.[4]

Moreover, the importance of this bill extends beyond the immediate concerns of striking workers. Unemployment insurance plays a crucial role as a macroeconomic stimulator, generating approximately $1.90 in economic activity for every dollar spent.[5] This reform would ensure that critical dollars continue to flow into local businesses and communities during strikes, while allowing workers to exercise their labor rights without fear of losing their livelihoods.

I urge the committee to support SB 8 and HB 6904. This reform would result in meaningful benefits to workers and the state economy at minimal cost.

Notes

1. U.S. Department of Labor, Employment and Training Administration, "State Monthly Program and Financial Data," January 2021–November 2024.
2. Labor Action Tracker, a joint project of the ILR School at Cornell University and the LER School at the University of Illinois Urbana-Champaign, January 2021–November 2024.
3. Daniel Perez, 2025. *Unemployment Insurance for Striking Workers: A Low-Cost Policy That's Good for Workers and State Economies*. Economic Policy Institute, February 2025.
4. {{1.}} Daniel Perez, 2025. *Unemployment Insurance for Striking Workers: A Low-Cost Policy That's Good for Workers and State Economies*. Economic Policy Institute, February 2025.
5. Marco Di Maggio and Amir Kermani, 2016. "The Importance of Unemployment Insurance as an Automatic Stabilizer." Working Paper 17-009, Harvard Business School, March 2016.