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# Testimony presented to the Oregon Senate Committee on Labor and Business in support of SB 916

## Oregon can provide unemployment insurance for striking workers

**Testimony** • By Daniel Perez • February 11, 2025

*EPI's Daniel Perez delivered the following written testimony before the Oregon Senate Committee on Labor and Business on February 11, 2025, in support of SB 916, an act relating to unemployment insurance benefits for employees unemployed due to a labor dispute.*

Chair Taylor, Vice-Chair Bonham, and members of the 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 Senate Bill 916. Under current Oregon 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 that last longer than seven days.

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

EPI modeling of publicly available UI[1] and strike[2] data, suggests that Senate Bill 916 will result in minimal costs to the state of Oregon, approximately one-quarter of 1% of the state's total UI expenditures (0.24%).

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 less than 1% of statewide UI expenditures (0.62%).

SB 916 stipulates a 7-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 Oregon specifically over the past four years, the median strike duration has been five days.

## The impact of this policy extends beyond workers on strike

Strike data also reveal that SB 916 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 durations or frequency in New Jersey since the state reduced the eligibility waiting period for striking

Table 1

## Estimated benefits for strikers would account for less than 1% of total statewide UI expenditures

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

| | | | |
|---|---|---|---|
| *a* | SB 916 waiting period | 7 days | |
| *b* | Qualifying strikes, 2021–2024 | 17 | |
| *c* | Eligible strikers | 6,843 | |
| *d* | State UI recipiency rate, 2023 | 38.7% | |
| *e* | Strikers who apply for benefits | 2,646 | = c × d |
| *f* | UI average weekly benefit amount | $476.45 | |
| *g* | Avg duration of qualifying strikes (weeks) | 5.0 | |
| *h* | Estimated benefits paid to strikers, 2021–2024 | $6,261,019 | = e × f × g |
| *i* | State UI expenditures, 2021–2024 | $2,601,122,300 | |
| *j* | Striker benefits as % of UI expenditures | 0.24% | = h ÷ i |
| | Assuming 100% recipiency | | |
| **k** | Estimated benefits paid to strikers, 2021–2024 | $16,192,046 | |
| **l** | Striker benefits as % of UI expenditures | 0.62% | = k ÷ 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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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

Table 2

## Oregon strike durations by decile, 2021–2024

| Strike duration deciles | Strike duration (in days) |
|---|---|
| 10th | 1 |
| 20th | 1 |
| 30th | 2 |
| 40th | 3 |
| **Median** | 5 |
| 60th | 8 |
| 70th | 14 |
| 80th | 21 |
| 90th | 48 |
| Proposed eligibility waiting period | 7 days |
| Strikes in sample | (n=41) |

**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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during strikes, while allowing workers to exercise their labor rights without fear of losing their livelihoods.

I urge the committee to support Senate Bill 916. 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. John S. Kallas, John S., Deepa K. Iyer, and Eli Friedman, "Labor Action Tracker." Cornell University ILR School & University of Illinois LER School,. accessed November 2024.

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.