



What Does Pandemic Unemployment Insurance Mean for College Students?

MAY 11, 2020 – JEN MISHORY, ANTHONY WALSH, AND ANDREW STETTNER

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Trends show that youth unemployment skyrockets during a recession, but traditional unemployment insurance often leaves these workers out, and college students in particular are often specifically excluded from state benefits. The new federal Pandemic Unemployment Assistance (PUA) program should provide significant benefits for working students who lost their jobs due to COVID-19: In the short term, those unemployed students could receive a \$794 minimum weekly benefit.

Traditional Unemployment Insurance and Working College Students

As college students deal with the effects of COVID-19, students who work to help pay their way through schools will be particularly hard hit. Of the 11 million college students who work, approximately three-quarters of those students work twenty or more hours per week, and about 4.4 million students work thirty-five hours per week or more.

Many college students, particularly full-time students, do not qualify for typical unemployment insurance. The rules vary by state, but typically these student workers do not earn enough to qualify for the minimum unemployment

benefits, and are often presumed “unable and unavailable” for work if they are enrolled full-time. In about twenty states, all part-time workers are disqualified, whether or not they are students.

How Does the Pandemic Unemployment Assistance Program Differ?

In March, Congress passed the CARES Act in an effort to respond to the health and economic crisis created by COVID-19. The law expanded access to unemployment benefits for a number of workers impacted by COVID-19, and increased the value of those benefits significantly. It also created and funded a new unemployment benefit: the Pandemic Unemployment Assistance program. The PUA program uses federal dollars to provide unemployment insurance for those who typically would not qualify under the state unemployment insurance programs—such as part-time workers, those without sufficient work history, and independent contractors. The Department of Labor confirmed in guidance released in late April that the PUA program does not restrict eligibility for full-time students working part-time.

This report can be found online at: <https://tcf.org/content/commentary/pandemic-unemployment-insurance-mean-college-students/>

PUA is available if a worker is unemployed because of COVID-19. The covered reasons include being diagnosed or experiencing symptoms of COVID-19 (or if household members are); providing care for a family or household member who has been diagnosed with COVID-19, or for a child whose school or child care center closed due to COVID-19; working for a business that is closed because of government orders, or being unable to get to work or commence employment due to COVID-19-related travel restrictions.

Benefits Available to Students

The PUA program will provide workers who lose their jobs or are unable to work due to the pandemic a weekly benefit of \$600 on top of a partial wage replacement calculated for their state. Like other part-time and full-time workers, students should receive:

- a benefit either based on state calculations looking at last year's tax returns OR a minimum benefit of 50 percent of the median weekly benefit in the state; nationally, half of the median weekly benefit is \$194, though it varies significantly by state;
- -an additional \$600 week from April 2020 through the end of July 2020; and
- up to 39 weeks of benefits from January 27th to December 31, 2020.

Which Students Do Not Qualify for PUA?

The PUA program leaves two significant gaps in coverage for college students. First, while it provides the benefit if a student had a job offer that fell through due to COVID-19, it will not provide help for people leaving school and now looking for work for the first time. Second, the PUA program does not provide benefits to students who lost employment not directly related to COVID-19, but perhaps due to the broader economic downturn caused by COVID-19. These larger gaps require future congressional action.

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