



TROUBLING TRENDS

NEW YORK STATE'S UNEMPLOYMENT INSURANCE CRISIS KEEPS GROWING

On April 9, Governor Kathy Hochul signed New York's \$220 billion budget – the largest in state history. While this budget contains funding for a vast number of programs, there is no relief for employers' rising unemployment insurance costs.

Employers are not only responsible for paying back New York's \$9.3 billion UI debt to the federal government, they must also replenish New York's UI fund. These cost increases, combined with higher labor costs, supply chain issues and historic inflation rates, will force businesses to raise the prices of goods and services.

By 2025, some employers will see their total UI tax payments increase by almost 254% compared to tax payments made in 2020.

This inaction essentially created a \$9.3 billion hidden tax on consumers.

This hidden tax comes at very difficult time. With inflation currently at 8.5%, consumers are already seeing higher prices.

Albany's failure to deliver UI relief in this year's budget will drive up the cost of living in New York State to new heights.

EMPLOYERS WILL SEE SKY-HIGH UI COSTS BY 2025

EMPLOYERS WITH LOW UI RATES



253.8% INCREASE FROM 2020

EMPLOYERS WITH HIGH UI RATES



45.4% INCREASE FROM 2020

Source: Office of the New York State Comptroller, "Unemployment Insurance Trust Fund: Challenges Ahead"

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NEW YORK'S UI DEBT OF \$9.3 BILLION IS THE SECOND LARGEST IN THE UNITED STATES.

Source: United States Department of the Treasury, Title XII Advance Activities Schedule, April 29, 2022

ALBANY SHOULD HAVE SPENT \$2 BILLION FROM AVAILABLE FEDERAL AID TO PAY DOWN THE STATE'S UI DEBT.

Source: National Conference of State Legislatures, ARPA State Fiscal Recovery Fund Allocations

