Many states have exhausted their unemployment trust funds—the funds from which states pay unemployment benefits—due to high unemployment rates and the extended length of time many people have been without work. More than half of states borrowed from the federal government to cover costs, which may impact future fiscal stability.

**National Analysis**
- In 2010, the national unemployment rate was 9.6 percent. Throughout 2011, the rate hovered around 9 percent, while the average rate was 8.1 percent for 2012. That means states continue to pay out unemployment benefits to a large number of residents, while fewer people are paying into the reserves through payroll tax collections, draining the supply of incoming funds.
- The number of long-term unemployed—defined as those unemployed for 27 weeks or more—skyrocketed throughout the economic downturn and has contributed to trust fund insolvency.
- By Jan. 4, 2013, 19 states plus the Virgin Islands were borrowing money from the Federal Unemployment Account to help pay growing claims for unemployment insurance benefits, according to the U.S. Department of Labor. Outstanding loans then totaled more than $27 billion.
- California ($10.3 billion) and New York ($3.5 billion) are among the top borrowers of federal funds, with a combined total of more than $13.8 billion in loans. North Carolina is close behind New York, with a current balance of $2.6 billion.
- On a per-capita basis, state borrowing ranges from a low of $6.73 in Alabama and $32.66 in Florida to a high of $270.85 in California and $270.38 in Indiana.

**Regional Analysis**
- In November 2012, the average unemployment rate for states in CSG’s Western region was 7.2 percent, just below the Southern regional average of 7.3 percent and above the Midwestern regional average of 6 percent.
- The region’s average unemployment rate includes high rates in Nevada (10.8 percent—the highest in the nation) and California (9.8 percent), but is balanced by relatively low rates in Utah and Wyoming (both at 5.1 percent).
- Three of the 13 states in the Western region were borrowing a total of $11.3 billion from the federal government to continue paying unemployment benefits as of Jan. 4, 2013. A majority of that total is California’s balance at $10.3 billion.
- On a per capita basis, Arizona is borrowing the least in the region at $47.88 of debt per resident, while California is borrowing the most at $270.85.

### Unemployment Loan Balances Per Capita

![Unemployment Loan Balances Per Capita](chart.png)

Source: U.S. Department of Labor, Employment and Training Administration; Per capita calculation based on 2012 U.S. Census Bureau estimates.
## UNEMPLOYMENT INSURANCE TRUST FUND SOLVENCY

**State or other jurisdiction** | **Unemployment Rate (%)\(^1\)** | **Outstanding Loan Balance ($)\(^2\)** | **Loan Balance Per Capita ($)\(^3\)**
---|---|---|---
**EAST REGION**
Connecticut | 8.8 | 631,483,917 | 175.88
Delaware | 6.7 | 76,412,258 | 83.32
Maine | 7.2 | |  
Maryland | 6.6 | |  
Massachusetts | 6.6 | |  
New Hampshire | 5.6 | |  
New Jersey | 9.6 | 957,235,893 | 107.98
New York | 8.3 | 3,487,357,392 | 178.20
Pennsylvania | 7.8 | |  
Rhode Island | 10.4 | 199,470,183 | 189.92
Vermont | 5.2 | 57,731,861 | 92.22
**REGIONAL TOTAL** | **7.5** | **5,409,691,503** | **137.92**

**MIDWEST REGION**
Illinois | 8.7 | |  
Indiana | 8.0 | 1,767,543,084 | 270.38
Iowa | 4.9 | |  
Kansas | 5.4 | |  
Michigan | 8.9 | |  
Minnesota | 5.7 | |  
Nebraska | 3.7 | |  
North Dakota | 3.1 | |  
Ohio | 6.8 | 1,739,094,086 | 150.65
South Dakota | 4.4 | |  
Wisconsin | 6.7 | 859,864,002 | 150.16
**REGIONAL TOTAL** | **6.0** | **4,366,501,172** | **190.39**

**SOUTH REGION**
Alabama | 7.5 | 32,470,374 | 6.73
Arkansas | 7.0 | 234,438,498 | 79.49
Florida | 8.1 | 630,816,097 | 32.66
Georgia | 8.5 | 540,451,765 | 54.48
Kentucky | 8.2 | 837,664,856 | 191.23
Louisiana | 5.8 | |  
Mississippi | 8.5 | |  
Missouri | 6.7 | 569,174,955 | 94.52
North Carolina | 9.1 | 2,555,704,832 | 262.07
Oklahoma | 5.2 | |  
South Carolina | 8.3 | 675,597,746 | 143.02
Texas | 7.6 | |  
Virginia | 5.6 | |  
West Virginia | 7.3 | |  
**REGIONAL TOTAL** | **7.3** | **6,076,319,122** | **108.03**

**WEST REGION**
Alaska | 6.8 | |  
Arizona | 7.8 | 313,792,553 | 47.88
California | 9.8 | 10,303,642,800 | 270.85
Colorado | 7.7 | |  
Hawaii | 5.3 | |  
Idaho | 6.8 | |  
Montana | 5.8 | |  
Nevada | 10.8 | 685,308,840 | 248.40
New Mexico | 6.2 | |  
Oregon | 8.4 | |  
Utah | 5.1 | |  
Washington | 7.8 | |  
Wyoming | 5.1 | |  
**REGIONAL TOTAL** | **7.2** | **11,302,744,193** | **189.04**

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**Note:** Regional unemployment rates and per capita trust fund balances are an average of state rates. Regional outstanding loan balances are totals.