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Think Your State Is Ready for the Next Recession? Better Check This Fund First.

State unemployment insurance trust funds were decimated during the last recession. A decade later, many still don't have the funds to weather the next downturn.

States have done a lot over the past decade to be better financially prepared for the next recession. But one area many have ignored is — ironically — their unemployment insurance programs for laid-off workers.

More than half of states' unemployment insurance trust funds don't have enough money in them to weather the next economic downturn, according to the most recent [federal report](#) on the funds. Of the 28 that don't meet the minimum solvency level recommended by the U.S. Department of Labor, a whopping 11 have less than half of the funds needed to meet a downturn.

The lack of recovery in many funds more than a decade after the last recession began is alarming given that many think time is running out on the current economic expansion. "If there's another bad recession like the last one," says Christopher O'Leary, a senior economist at the W.E. Upjohn Institute, "states, on average, are not prepared."

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