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July 8, 2025

The Honorable Rudy Yakym
349 Cannon House Office Building
Washington, DC 20515

Dear Representative Yakym:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in support of the *Securing Help for Involuntary Employment Loss and Displacement (SHIELD) Act*, which would prohibit employees engaged in a strike or similar labor dispute from collecting unemployment benefits. This bill will take a significant step towards ensuring fairness and integrity in the unemployment system.

According to the 2024 *NFIB Problems and Priorities Survey*, "Locating Qualified Employees" ranks fifth in the list of greatest problems small business owners face, with 27.4% of small business owners listing it as a critical problem.¹ Small businesses are struggling to retain qualified workers. Allowing striking workers to collect unemployment benefits worsens this problem and further distorts labor markets.

Several states have implemented government-run systems to pay unemployment to individuals who voluntarily walk off the job. These unemployment benefits for striking workers have created an incentive for workers to abdicate their responsibilities to their employer without the threat of negative consequences in the form of loss of pay or termination. These systems threaten the stability and availability of a consistent and dependable workforce that small businesses so desperately need. Ultimately, as many states face concerns regarding the program integrity of their unemployment insurance systems, small businesses fear further expanding and loosening eligibility requirements is the wrong course of action.

Clarifying that individuals who are currently involved in a labor dispute are not eligible to receive an unemployment check reasserts the core principle that unemployment benefits are meant to be used as temporary support for workers who lost their jobs through no fault of their own. Unemployment benefits were never intended to serve as leverage in labor negotiations. When

¹ Wade, Holly, and Madeleine Oldstone. *Small Business Problems and Priorities: 2024*. NFIB Research Center, National Federation of Independent Business, July 2024.

striking employees are permitted to draw on unemployment compensation, it creates an imbalance that unfairly burdens the small businesses and tilts the scales of collective bargaining in favor of labor unions. This undermines the ability of both sides to negotiate in good faith and upends long-standing labor law in favor of labor unions at the expense of small businesses.

The *SHIELD Act* restores the balance to the relationship an employer has with their employees and ensures that unemployment benefits continue to be available to unemployed individuals the programs were intended to help. NFIB strongly urges Congress to pass this legislation and protect small businesses who continue to struggle to fill job openings.

Sincerely,

A handwritten signature in black ink, reading "Tyler Dever". The signature is fluid and cursive, with the first name "Tyler" and last name "Dever" clearly distinguishable.

Tyler Dever
Principal, Federal Government Relations
NFIB