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**Contacts:** Christine Owens/(917) 689-0063 & Maurice Emsellem/(510) 604-1209

**Stimulus Plan Denies Jobless Benefits to More than 1.3 Million Workers Over the Next Six Months, While Failing to Immediately Boost the Economy**

Today, Speaker Nancy Pelosi and the White House agreed on a tentative economic stimulus plan that denies extended jobless benefits to 1.3 million workers over the next six months despite the proven track record of the unemployment insurance program to immediately boost the economy in those communities hardest hit by recessions.

According to Chris Owens, the Executive Director of the National Employment Law Project (NELP), "We are dismayed that congressional leaders and the administration have struck a stimulus deal that eliminates extended unemployment benefits, overlooking the very workers and communities taking the hardest and most direct hit in the economic downturn."

Extended unemployment benefits for jobless workers have been proven to be one of the most effective stimulus measures available to federal policy makers. Given that the money flows quickly to people who most need assistance and who will spend it immediately, every dollar of unemployment benefits generates \$2.15 of economic growth according to a major study of past recessions. Unlike tax rebates and the proposed business tax cuts, extended jobless benefits can begin to flow into the economy two weeks after a stimulus bill is signed.

According to conservative estimates prepared by NELP, 1.28 million workers and their families will have to get by without federal extended benefits when their 26 weeks of regular unemployment benefits runs out over the next six months. The latest state unemployment figures released last week also show increased unemployment in all but a minority of the states. Major states, including California and Ohio, recently surpassed 6 percent unemployment due in large part to the growing sub-prime mortgage crisis. Nationally, the number of jobless workers increased by nearly 900,000 over the past year, and many more workers are unemployed for longer periods of time compared to March 2001 when the prior recession began.

Ms. Owens noted that, "Ignoring the workers hardest hit by the downturn while giving a new and expensive round of tax breaks to businesses is a bad marriage of misguided economic policy and misplaced priorities. We urge Congress to reject this deal, and to insist on a final stimulus package with extended unemployment benefits for the long-term unemployed, as well as benefits for jobless workers who, because of outdated eligibility rules, do not currently receive unemployment benefits."

NELP's estimates of the number of workers by state who will run out of their state jobless benefits over the next six months, and the latest Labor Department figures documenting the state increases in unemployment by state in December 2007, are available by linking to <http://www.nelp.org/docUploads/UICharts.pdf>.

The National Employment Law Project is a non-profit research and advocacy organization that partners with local communities to deliver on the nation's promise of economic opportunity.

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**National Employment Law Project, advocating for the working poor and the unemployed**

55 John Street, Seventh Floor

New York, NY 10038

Tel (212) 285-3025, Fax (212) 285-3044

[www.nelp.org](http://www.nelp.org), [nelp@nelp.org](mailto:nelp@nelp.org)