



Statement of Christine L. Owens, Executive Director
National Employment Law Project
On the December 2008 Employment Report

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NEW YORK - "Today's devastating employment report is stunning confirmation of the crisis facing America's workers and the absolute necessity of responding effectively to the twin problems of job loss and rising unemployment. The jobs of half a million workers evaporated in December, on a scale much larger than anyone anticipated even just a few months ago, and more workers are unemployed now than at any time in the past 25 years. This staggering job loss is an unmistakable sign that the recession continues to deepen and penetrate every sector of the economy.

"The jobs decline continues to hammer lower and middle income Americans. Retailers cut 66,000 jobs in December alone. With 522,000 jobs lost in this sector since the recession began in December 2007, the largely low-wage sector is shedding jobs at double the rate it when the economy last fell into recession. Manufacturers sliced payrolls by another 149,000 jobs in December, the largest one month decline in factory employment since August 2001.

"The scarcity of jobs is evident everywhere in the December report. It is particularly telling that the number of Americans who have been looking for work for more than six months skyrocketed to a whopping 2.6 million, now accounting for nearly 1 in 4 of the unemployed.

"As President-elect Obama acknowledged yesterday, there is a tremendous urgency to act swiftly and boldly. More than 11 million Americans are now unemployed, yet because the nation's unemployment insurance system has not been updated since it was created 70 years ago, only 37% of today's jobless workers collect benefits. Part-time workers, women, and low wage earners are routinely excluded from receiving benefits, even though their employers pay into the UI system on their behalf.

"To accommodate the modern workforce, any economic recovery package must include the Unemployment Insurance Modernization Act (UIMA). The UIMA would provide up to \$7 billion for states to cover more than 500,000 workers not covered under the current system, and set aside \$500 million to help every state address the administrative demands of fielding claims from the growing number of workers applying for benefits. This critical initiative will not only support states and unemployed workers who currently fall through the system's cracks but also provide an immediate boost to the economy.

"The next Congress should also extend benefits again so that those who are receiving them have enough time to actually find work again. Last year over 3 million workers reached the end of their assistance and still had no job. A strong safety net during a grave crisis such as this one is the best path to rebuilding a strong economy.

“Today’s jobless numbers drive home the point – one again – that the sooner we provide fast, comprehensive relief, the sooner Americans will be able to get back to work and our economy will get back on track.”

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