


# New Limits on Jobless Benefits in Louisiana After Hurricane Katrina: Over 100,000 Louisiana Workers Reach the End of their Benefits in March



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National Employment Law Project  
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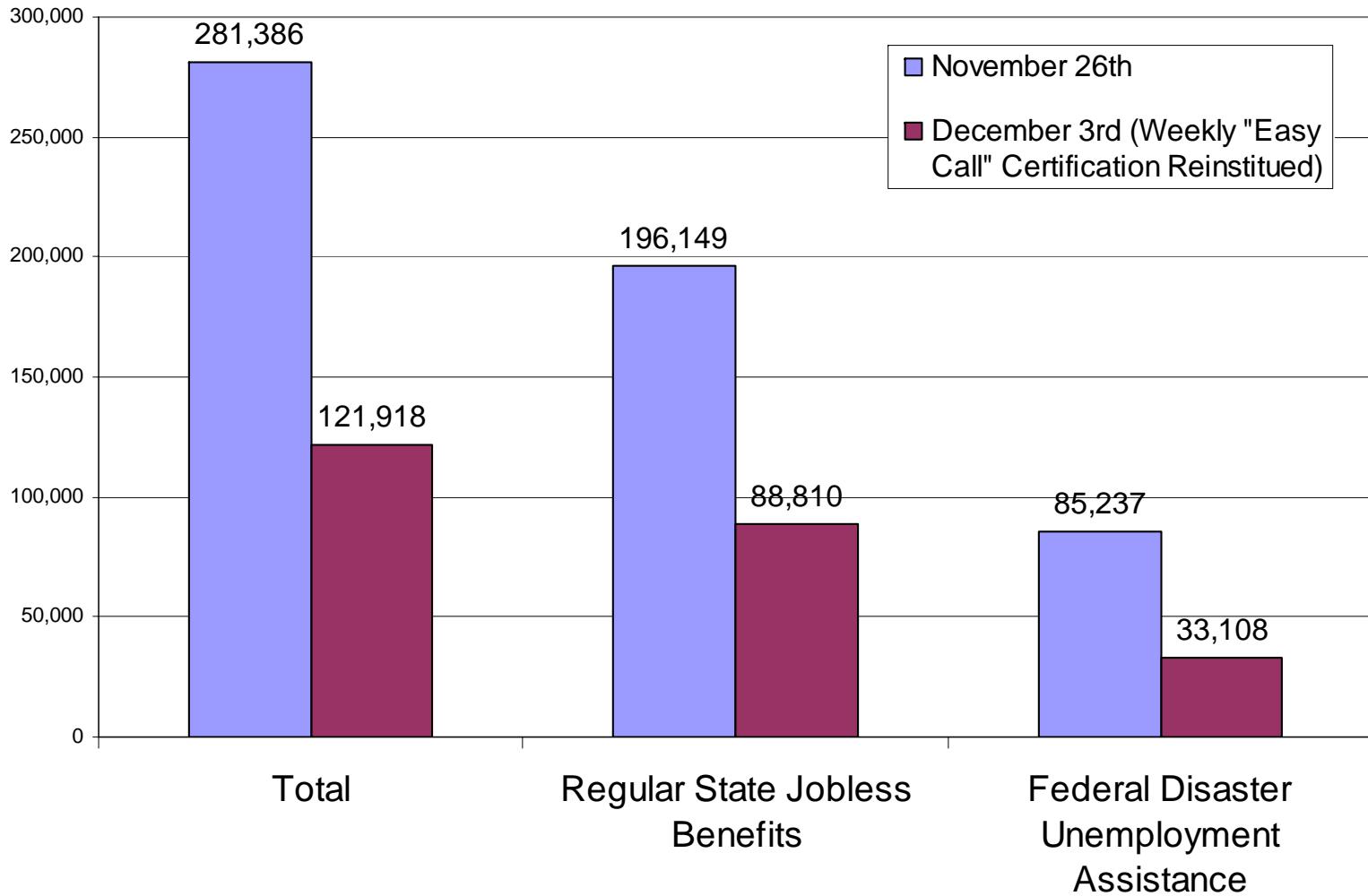
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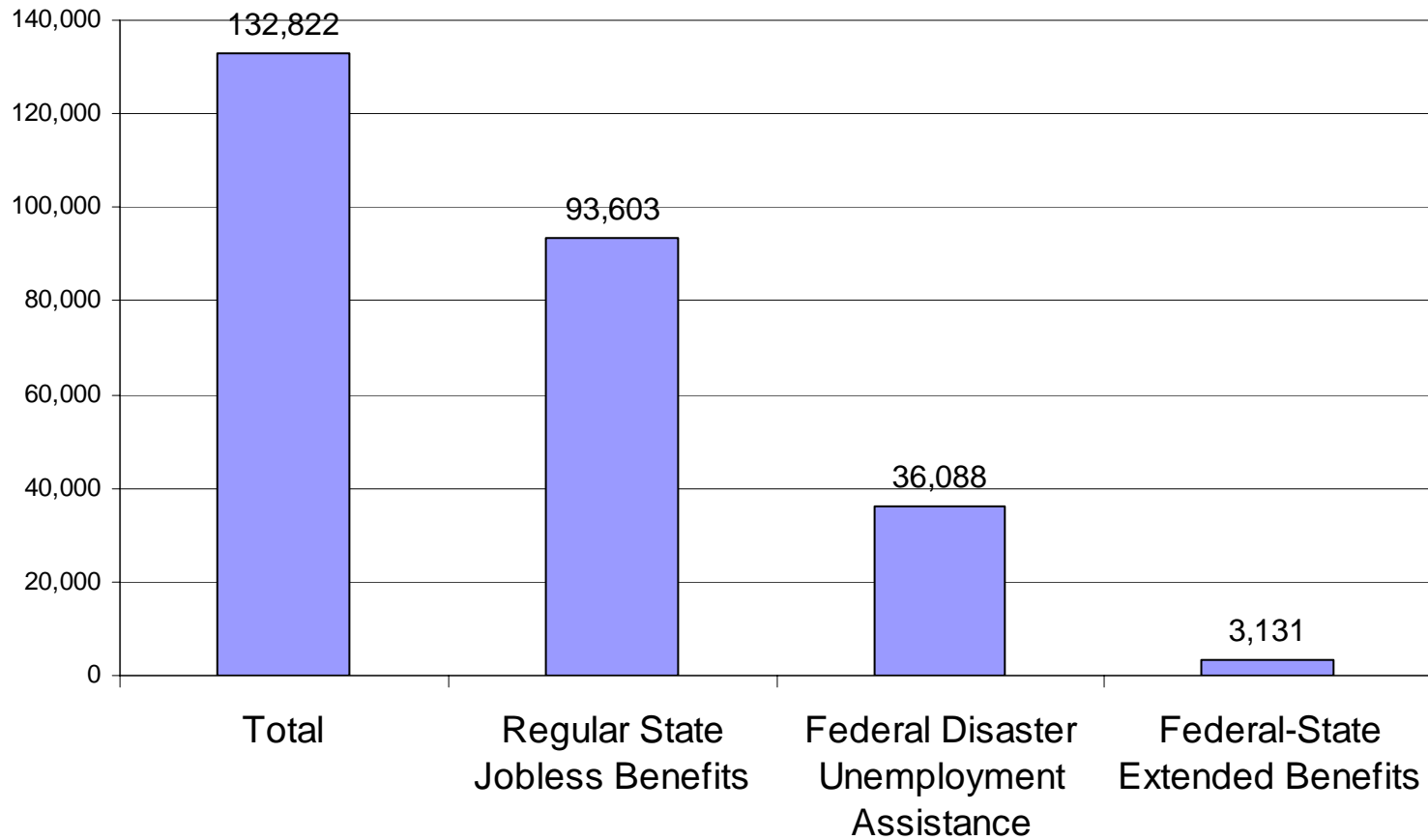
# Major Findings

- In December, after new state requirements on workers went into effect, almost 160,000 workers stopped collecting state or federal jobless benefits in Louisiana (a 57% reduction).
- Over 100,000 Louisiana workers will run out of their limited 26 weeks of jobless benefits in March unless Congress extends their assistance.
- More than 65,000 people will run out of state jobless benefits starting March 11<sup>th</sup> and another 35,000 will reach the end of their federal disaster unemployment assistance (DUA) by March 4<sup>th</sup>.
- The limited federal-state program of Extended Benefits (EB), which was available in Louisiana starting late October, will end by February 26<sup>th</sup> before those unemployed after Hurricane Katrina will qualify for the 13-week extension of benefits.
- Only about half of those who recently ran out of their state jobless benefits are now collecting federal-state Extended Benefits.
- Nearly all those collecting DUA were automatically assigned the minimum benefit of \$98 a week. Most are still collecting far less in federal disaster benefits compared to workers in other Gulf Coast states.

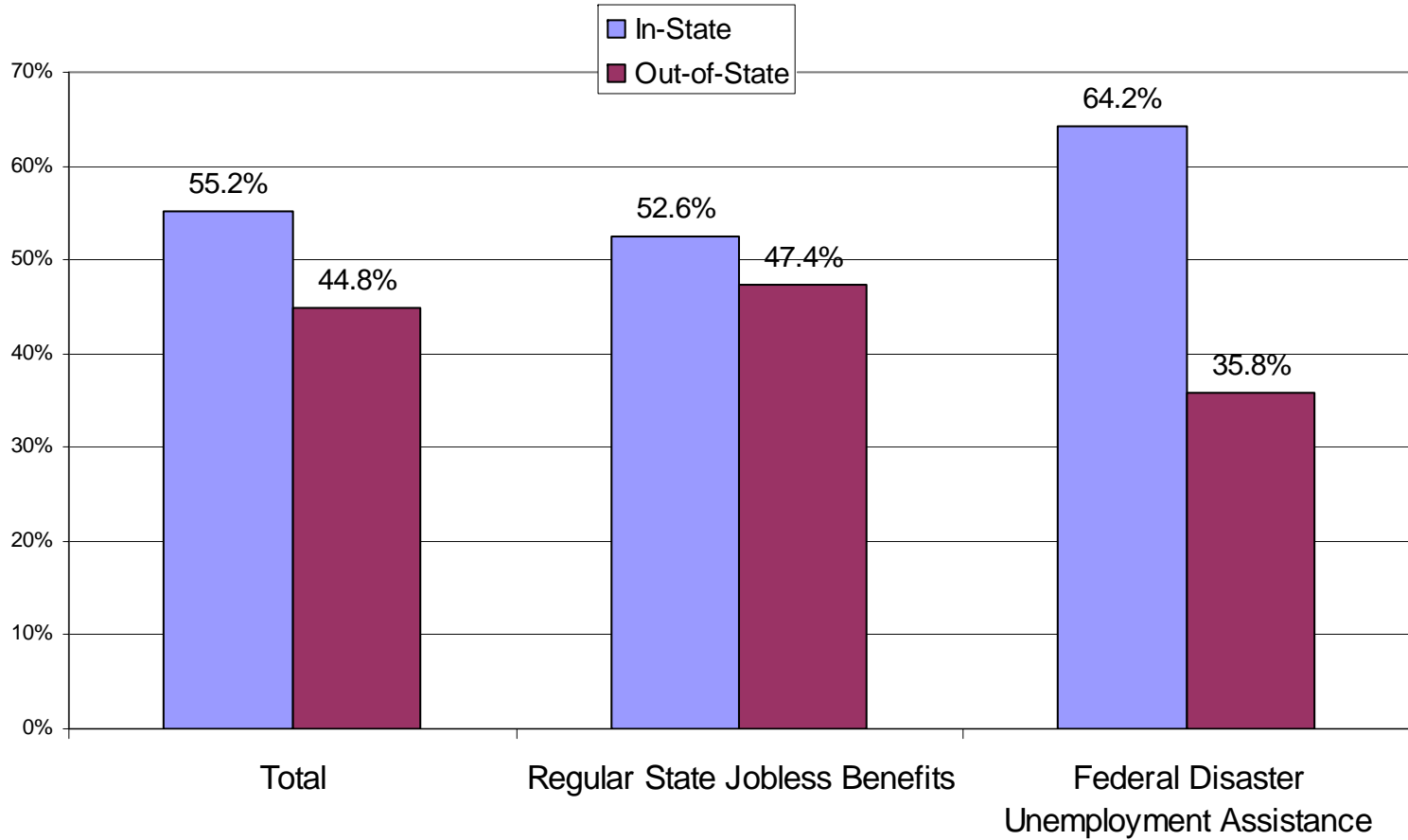
## 57% Reduction in Workers Collecting Jobless Benefits in Louisiana Corresponds with Weekly "Easy Call" Reporting Requirement Effective November 27th



## Number of Louisiana Workers Collecting State & Federal Jobless Benefits (as of January 14th)



## Percent of Workers Collecting Jobless Benefits Residing in Louisiana & Out-of-State (January 14th)

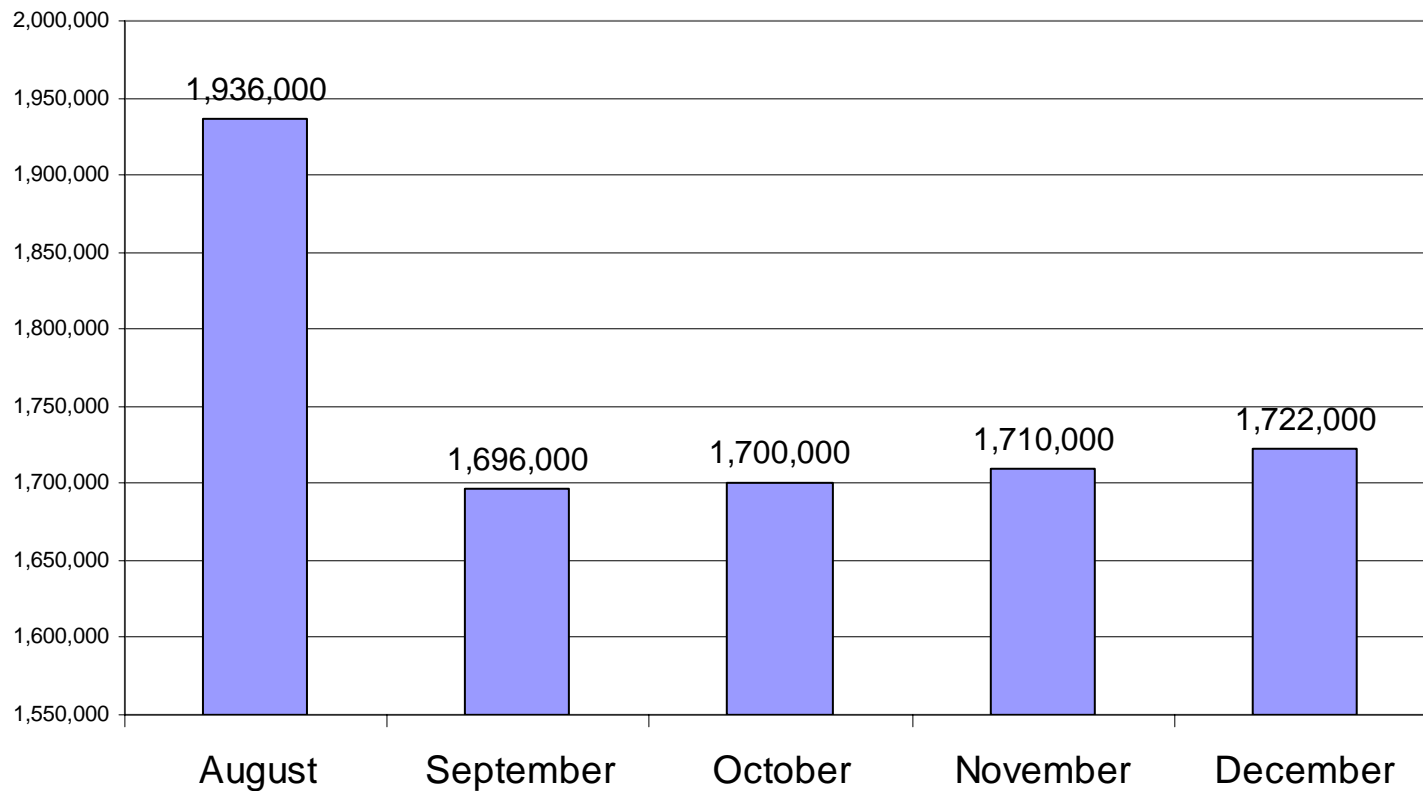




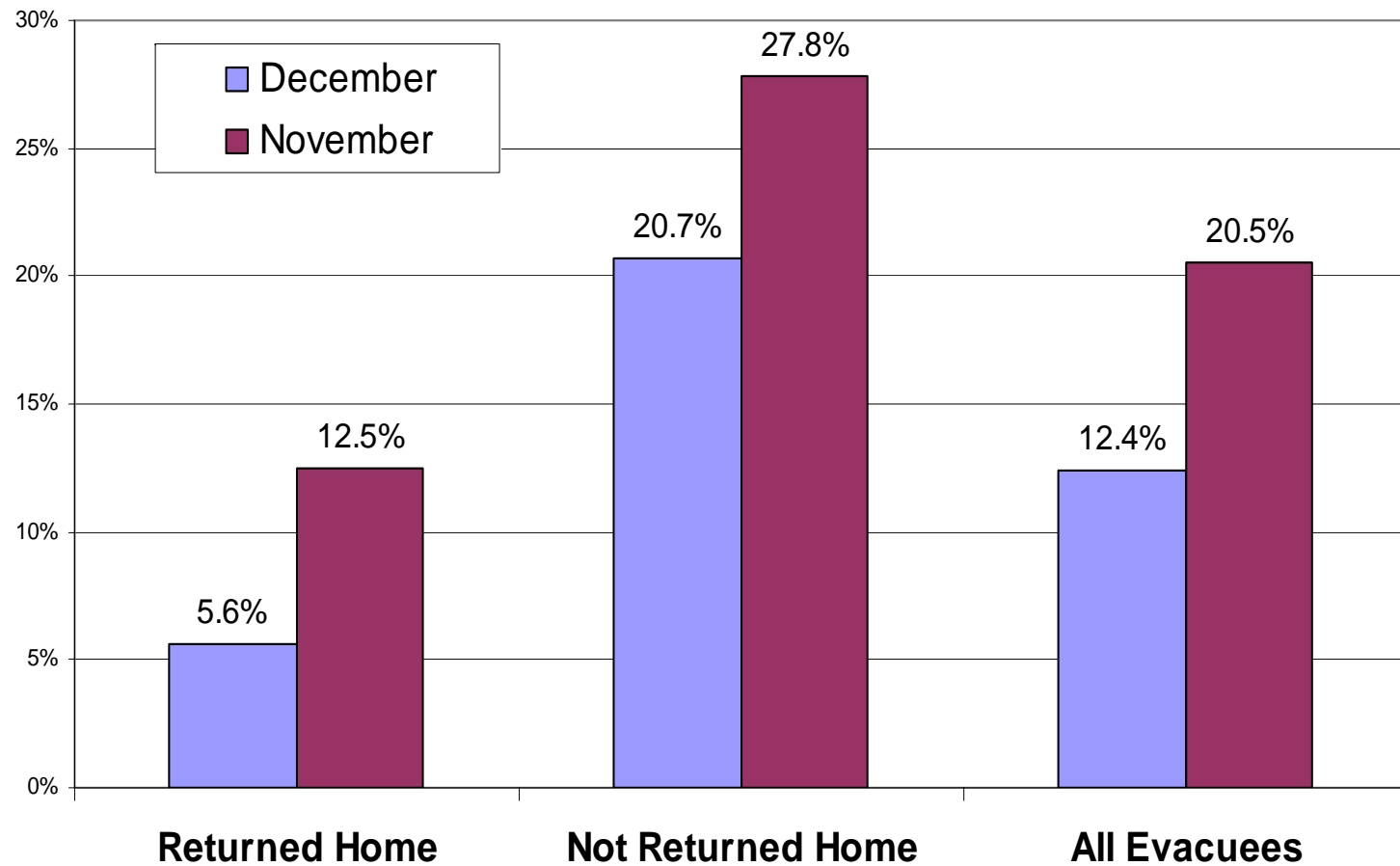
## Monthly Job Growth in Louisiana Still Limited, As Large Numbers No Longer Part of the Labor Force

- Although Louisiana's official unemployment rate fell to 6.4% in December, job growth for the month was limited to 12,000 (2,000 more than November).
- While the numbers looking for work and officially counted as unemployed in Louisiana fell by 120,000 in December (to 116,763), the size of Louisiana's civilian labor force also fell by about 115,000 workers.
- The decrease in the size of the labor force could be attributed to people no longer actively looking for work, leaving to find work in other states, or other reasons.

## Pace of Job Growth in Louisiana Since Hurricane Katrina Measured by the Numbers Employed (Bureau of Labor Statistics Payroll Survey)



## Unemployment Rates of Louisiana's Evacuees (Bureau of Labor Statistics Hurricane Katrina Survey, Not Including Those Residing in Shelters & Hotels)





## Extension of Jobless Benefits Ends February 26th, Before Major Influx of Katrina Families

### **Extended Benefits Program (EB)**

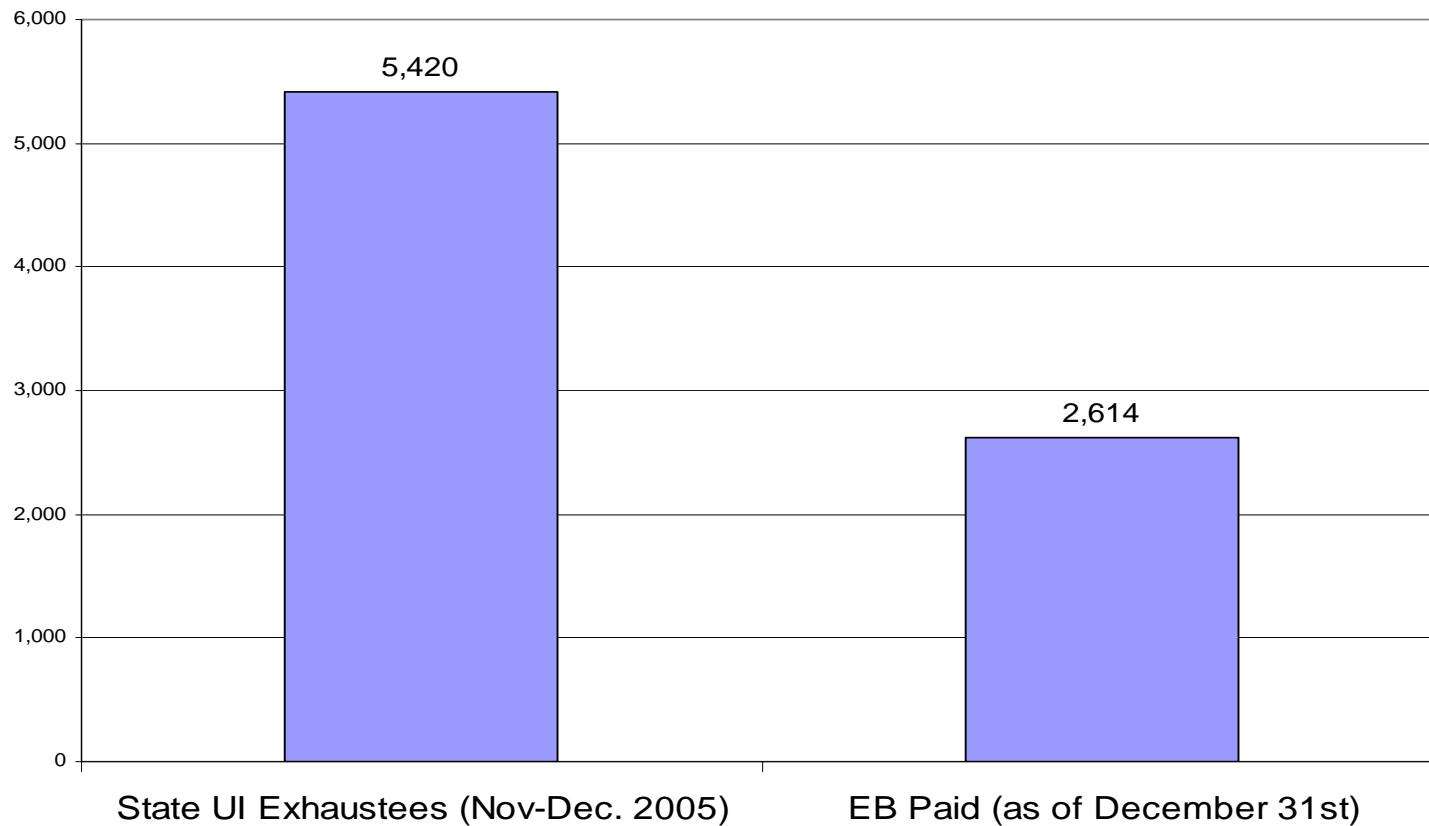
-13-week extension of regular state jobless benefits (2 weeks for those out-of-state).

-50/50 split in federal and state funding of EB.

-EB began October 30<sup>th</sup>, but ends when regular state jobless claims fall below required level.

- The EB program is projected to end February 26th due to the major decrease in the number collecting state benefits.
- An estimated 68,000 workers unemployed after Hurricane Katrina will run out of their state benefits by March 11th, after EB ends.
- Those starting to collect EB after late November will receive less than 13 weeks.
- The state delayed five weeks to notify workers of EB.
- The state requires initial EB claims to be filed in-person, not by phone or mail.

**Less Than Half of Those Who Exhausted Regular State Jobless Benefits From November-December Collected the 13-Week Extension as of December 31st**





# Limited Federal Disaster Unemployment Assistance in Louisiana Expires March 4<sup>th</sup>

## Disaster Unemployment Assistance (DUA):

-26 weeks of federal benefits for the self-employed and others who don't qualify for regular state jobless benefits.

-Minimum weekly benefit of \$98 for the self-employed with less than \$7,857 in yearly net income reported to IRS. Maximum weekly benefit of \$258.

-Katrina DUA ends March 4<sup>th</sup>, unless benefits are extended by Congress.

- More than 35,000 now collecting DUA may run out of their 26 weeks of benefits when the program ends March 4<sup>th</sup>.
- Louisiana initially paid all workers the minimum weekly DUA benefit of \$98, and nearly all were still collecting the minimum in November.
- Those self-employed with net incomes above \$7,857 are entitled to apply for a DUA increase.
- Compared to most Gulf Coast states, DUA recipients in Louisiana are collecting about \$60 less a month over the minimum DUA benefit in the other states (next slide).

## Federal Disaster Unemployment Assistance (DUA) Weekly Benefit Levels, by State (November 2005)

