



National Employment Law Project

From the National Employment Law Project
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WHITE HOUSE, CONGRESSIONAL LEADERS EXPRESS BI-PARTISAN SUPPORT FOR EXPANDING FEDERAL UNEMPLOYMENT AID FOLLOWING NELP REPORT SHOWING 1.5 MILLION WILL EXHAUST ALL BENEFITS BY YEAR'S END.

NELP Calls for an Expansion of Benefits to All States

New York – Today, the National Employment Law Project (NELP) called on Congress to quickly expand unemployment benefits for jobless workers in all states, as Democratic and Republican Congressional leaders and Obama administration officials over the weekend voiced approval for a new round of federal support to unemployed workers.

The bi-partisan support for an expansion of extended benefits followed new projections by NELP of the vast numbers of workers scheduled to run out of their federal benefits through the end of the year. According to NELP's analysis, by the end of September, over 500,000 workers will exhaust their 20 to 53 weeks of federally-funded benefits without finding work, and by the end of the year, the numbers will swell to 1.5 million.

“Congress and President Obama took bold and swift action in February to respond to the unemployment crisis, providing a major increase in jobless benefits that has gone a very long way to help the families hit hardest by the recession and to provide a boost to the nation's economy. But with long-term unemployment continuing at record highs and only one job opening for every six unemployed workers, it is critical that they act promptly when they return in September to expand jobless benefits to prevent more hardship and further economic decline,” stated Christine Owens, Executive Director of the National Employment Law Project.

NELP is calling for an expansion of benefits for workers in all states, in light of the universal surge in state unemployment claims and unemployment rates. The increase in joblessness is taking a severe toll on high unemployment regions as well as those states where unemployment rates, though below the national average, nevertheless are now at record levels.

Specifically, NELP is urging Congress and the Obama administration to provide a minimum of 10 weeks of additional benefits to long-term unemployed workers in all states, with progressively more weeks of benefits for states where unemployment is higher, including up to 20 weeks of additional benefits for workers in states with unemployment rates surpassing 11 percent.

This weekend, reacting to NELP's recent projections reported in Sunday's *New York Times*, Democratic Congressman Charles Rangel, chairman of the House Ways and Means Committee, and Republican Senator Jim DeMint agreed on *Fox News Sunday* that Congress should extend benefits. After Rangel called extending benefits “right” and “moral,” DeMint agreed that

Democrats and Republicans “need to take care of those who are unemployed” and that “we’ll definitely support that.”

Meanwhile, on CBS’s *Face the Nation*, National Economic Council Director Larry Summers said that the administration plans to “work with Congress to make sure that the unemployment insurance benefits that are necessary for the American people are maintained.” Christina Romer, head of the Council of Economic Advisors, said on CNN’s *State of the Union* that an expansion of federal jobless benefits is “absolutely on the table.”

“Never in the history of the unemployment insurance program have more workers been unemployed for such prolonged periods of time. We are coming up on a tidal wave of need for more extensions and for help from the federal government. With a wave of exhaustions just around the corner, Americans still need robust benefits to keep their families and communities above water, and our economy clearly needs the jolt these benefits would provide,” said Owens.

NELP’s state-by-state breakdown (linked below) details the number of workers who will exhaust benefits by the end of September and through the end of 2009. The analysis also provides each state’s unemployment rate, the benefits program each state has accessed, and the number of weeks of federal benefits workers in each state may receive.

With the rush of exhaustions quickly approaching, the NELP analysis also underscores how important the American Recovery and Reinvestment Act has been in addressing the unemployment crisis thus far. Enacted in February, the ARRA provisions offered unprecedented help at a critical time.

For example, 100% federally funded extended benefits, which last 20 to 53 weeks depending on the state’s unemployment rate, are covering 3 million workers, providing a lifeline of support to these workers and their families and pumping much-needed dollars back into local economies. And over 9 million workers have received a boost of \$100 a month in their unemployment checks. According to Mark Zandi, an economist with Moody’s Economy.com, the nation would have lost an additional 500,000 jobs in the second quarter of this year without the help of the stimulus legislation.

Nevertheless, in just the five months since the recovery bill passed, the unemployment rate has increased from 8.1% to 9.5%, and it is well on its way to surpassing the post-WWII record rates of unemployment. An all-time high of 4.4 million Americans have been out of work for more than six months, a figure that is up dramatically from 2.6 million in February. That translates into 29% of jobless workers who have been out of work for six months, a record since data were first reported in 1948.

To view the release of NELP’s projections of workers running out of extended benefits on the web: <http://www.nelp.org/page/-/UI/PR.UI.Exhaustion.Update.7.17.09.pdf>

(NOTE: The state unemployment rates listed on the NELP chart reflect states’ 3- month average unemployment rates – the figures used by the U.S. Department of Labor to calculate which states trigger the Extended Benefits program.)

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