



National Employment Law Project

From the National Employment Law Project

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LONG-TERM UNEMPLOYMENT CRISIS DEEPENS FURTHER IN JANUARY, UNDERSCORING NEED FOR CONGRESS TO EXTEND BENEFITS

*NELP Analysis Shows Nearly 5 Million Jobless Workers Will Lose Benefits by
June; Extension Needed Throughout 2010*

Washington, DC – Today the Department of Labor announced that the nation’s sluggish jobs market lost 20,000 jobs in January. While the jobs report marks a decline in unemployment from the prior month, long term unemployment increased even further to over 6.3 million people and remains a significant hurdle for an economy struggling to recover from recession.

With January’s unemployment figures, the average duration of unemployment has hit another record high of 30.2 weeks, with a historic 41.2% of the unemployed remaining out of work for six months or longer. 11.5 million Americans are collecting some form of unemployment insurance. During the most recent previous peak in long term unemployment in 1983, a comparatively low 26% of unemployed workers were out of work for six or more months, and the average duration of unemployment peaked at 21 weeks.

“The continued high rate of long term unemployment reflected in January’s jobs report underscores the urgent need for action from Congress to maintain the lifeline of jobless benefits for millions of unemployed workers caught in the undertow of this recession,” said **Christine Owens, Executive Director of the National Employment Law Project**. “While the report has glimmers of relief for workers, the Labor Department today released payroll jobs numbers show that we have lost a staggering 8.4 million jobs. With the jobs hole this deep, Congress and the Administration must bravely stare into the headwinds of budget concerns and continue to fortify the safety net throughout this year. Any faltering of their support will bring disaster for families, communities and the economy.”

New national and state-by-state analysis from the National Employment Law Project (NELP) released yesterday found that nearly 1.2 million jobless workers will become ineligible for federal unemployment benefits in March unless Congress extends the unemployment safety net programs from the American Recovery and Reinvestment Act (ARRA), which are slated to expire at the end of the month. By June, this number will swell to nearly 5 million unemployed workers nationally left without any jobless benefits. NELP’s national and state-by-state estimates, “[Workers Losing Federal Unemployment Benefits in 2010 Due to Expiration of the ARRA](#),” are available [here](#).

The DOL today announced revisions that showed that there were 1.39 million fewer jobs in December 2009 than report. This means that over the course of the recession, 8.4 million total jobs have been lost since December 2007.

“Sadly, long-term unemployment is unlikely to loosen its grip on our economy anytime soon. For that reason, it is critical that Congress extend these benefits through all of 2010,” added **Ms. Owens**.

“Unemployment benefits mean economic recovery: the ARRA provisions have already aided millions of workers— and delivered billions of dollars in stimulus. Quickly spent on basic needs, they are the best bang-for-the-buck government stimulus spending and help to create new jobs. Instead of repeatedly legislating stopgap solutions, Congress should commit now to delivering timely and effective stimulus to unemployed workers and communities all over the county throughout 2010.”

The Congressional Budget Office estimates that UI benefits generate up to \$1.90 in GDP per every dollar spent, making the UI provisions the most cost-effective policy for stimulus efforts in 2010. According to the Economic Policy Institute, extending the ARRA’s provisions for the duration of 2010 would generate an additional [850,000 needed jobs](#), since safety net spending results in greater disposable income for recipients to use on goods and services.

“Any delay reauthorizing the ARRA will have devastating consequences for workers, beleaguered state agencies, and struggling communities hit hardest by the recession. Starting on February 19th, state agencies that administer unemployment benefits will be forced to notify workers that the program will be shut down by the end of month. If Congress doesn’t reauthorize the programs before its recess on February 12th, this deadline will create chaos for the state agencies and workers facing an uncertain future,” said **Ms. Owens**.

For more information on the methodology used to arrive at the estimates presented in the new NELP chart, please contact Anna Deknatel at anna@berlinrosen.com. NELP is also available to help identify workers whose benefits are expiring.

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