



National Employment Law Project

From the National Employment Law Project

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FEBRUARY JOBLESS COUNT HIGHEST IN SIXTY YEARS

Clock Ticking for Governors to Act on Stimulus Funds for Unemployed

Washington, DC – Following the Department of Labor announcement today that 651,000 jobs were lost in February, employment experts at the National Employment Law Project (NELP) urged Governors to act quickly to take advantage of billions of dollars in stimulus funds to help the unemployed.

"Today's unemployment figures are just devastating, and they mean that 850,000 more Americans are now scouring the job market for scarce opportunities, wondering how to feed their families, and looking to their government for sorely needed help," stated **Christine Owens, Executive Director of the National Employment Law Project**. "Thankfully, Governors like Georgia's Sonny Perdue are starting to realize the plain truth that states should act quickly to take advantage of the help the American Recovery and Reinvestment Act provides their jobless citizens. With billions of federal stimulus dollars waiting in the wings, states should act now and put them to use," concluded Owens.

The February report is littered with ominous news for an anxious workforce, as the unemployment rate pushed passed 8% for the first time since 1984. The economy has shed 1.9 million jobs since November—marking the largest job loss over such a short period in 64 years (since 1945). There are now more unemployed Americans (12.5 million) than at any time in the post-war era, breaking a previous 1982 record of 12.1 million. To make matters worse, there are already 2.9 million Americans out of work for six months or more—a number which is sure to grow as the recession deepens.

Adding to Friday's blistering numbers, latest figures show that only 37% of Americans unemployed actually collect jobless benefits, while thousands of part-time, low-wage, high-turnover and female workers are not eligible to collect under the policies of many states. States that modernize their unemployment programs by including those workers and by adopting revised [guidelines](#) for calculating benefits can draw on \$7 billion in American Recovery and Reinvestment Act funds to help the unemployed. These provisions would allow states to cover more than 500,000 workers not covered under the current system.

Furthermore, other provisions in the ARRA would allow states to continue providing extended benefits to 800,000 Americans who are starting to run out of assistance this month – but most of these workers won't be helped unless states act to accept new federal dollars available.

"States now have the opportunity to help families who are hit hardest by unemployment, to boost their economy and reform the unemployment system to meet the new challenges and changing work force of the 21st century. The benefits made available through these grants would flow instantly back into the economy, at the moment we most need the stimulus. More and more states are recognizing how much the unemployment funds in the stimulus package will help their residents," continued Owens.

In the past week alone, Governors of Tennessee, Georgia, Oklahoma, and Utah have expressed their support for unemployment modernization funds. Additionally, yesterday Mississippi's House of Representatives approved a resolution, contrary to the stance of the state's Governor, in support of accepting the ARRA unemployment funds. Unemployment legislation has moved through the Iowa State Senate and House Committees, with a floor vote expected to come next week, and a modernization package was passed unanimously by a committee in the Georgia House of Representatives.

The growing support for the modernization funds comes as increasing numbers of states face trust funds that have become insolvent or may require federal loans in the near future. According to a [recent NELP analysis](#), 31 states now can expect to face federal borrowing or near insolvency for 2009 and 2010.

For more information

- Extended Benefits provisions in the ARRA: <http://www.nelp.org/page/-/UI/extended.benefits.feb.09.pdf?nocdn=1>
- NELP's latest state solvency report: http://www.nelp.org/page/-/UI/Trust_Fund_Solvency_Update.pdf
- State-by-state breakdown of reforms required to receive ARRA unemployment modernization funds: <http://www.nelp.org/page/-/UI/needed.uima.reforms.by.state.jan.09.pdf>
- Additional fact sheets on states' unemployment reciprocity rates and available funding under the ARRA are available by request or at www.nelp.org

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