

Share of Unemployed Receiving Jobless Aid Will Hit Record Low if Congress Fails to Act

THE ISSUE

After lengthy deliberations, Congress reached a bipartisan agreement in February 2012 that initiated a broad phase-down of Emergency Unemployment Compensation (EUC). The agreement preserved this invaluable lifeline in high-unemployment states, while reducing the maximum number of weeks available and introducing new requirements to scale back benefits in states with falling unemployment rates.

Implicit in the agreement was the promise that federal unemployment insurance would remain in place until the U.S. economy recovered. Even though the labor market remains weak—particularly for individuals who have been searching for work the longest—that promise could be broken this December, when two million workers will be abruptly cut off EUC unless Congress reauthorizes the program for 2013.

THE FACTS

- Unemployed workers number 12 million; yet, less than half currently receive federal or state unemployment insurance. If EUC is not reauthorized, nearly five million individuals who have been searching for work the longest will not qualify for any form of unemployment insurance, leaving only one in four unemployed workers protected by the system (see figure).
- Long-term unemployment presents policymakers with an unprecedented challenge. The average unemployed worker has been searching for a job for 40 weeks, while those who have been out of work for more than six months constitute 40 percent of the nation's unemployed workers. The situation is particularly difficult for workers in their 50s who, after being unemployed for a year and a half, have less



Karen Heller, a mother of two from Colonia, New Jersey, was laid off in July 2012 from her job of 30 years as a radiation therapist when her hospital was bought and her department closed. In a state with a 9.7 percent unemployment rate and a job market made tougher by

Superstorm Sandy, she now faces the loss of unemployment insurance in January if Congress fails to renew the federal program.

“The loss of my job has had a great impact on my family. We could not afford the COBRA health premiums, but our less-expensive private plan still eats up about half my monthly unemployment benefits. We have two girls, ages 12 and 13. My husband is self-employed, but he lost weeks of work recently due to Sandy’s impact.”

“I have worked my whole life, and never before collected unemployment insurance. Right now, the benefits are a real lifeline while I look for work. But my state benefits would end in January, and if Congress does not renew the federal EUC program, I’d have no lifeline—which could mean the loss of my home and my family’s healthcare.”

“I know there are two million Americans who would lose unemployment abruptly right before New Year’s, if Congress doesn’t act. Then there are another one million people like me who would have no benefits at all if their state weeks end early in 2013.”

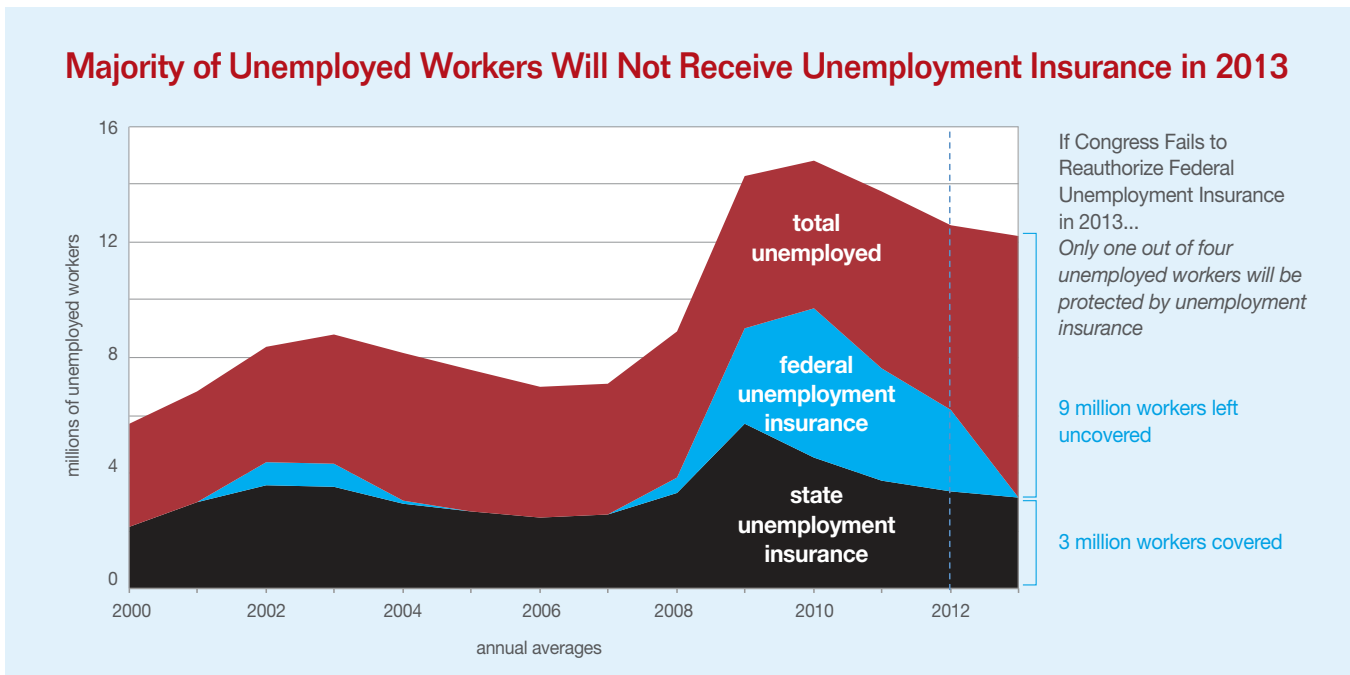
“Lawmakers should put themselves in our position, and then think and act responsibly and do what must be done to renew federal unemployment insurance for 2013.”

than a 1-in-10 chance of finding a job in the next three months ([Baker and Hassett](#)).

- As a result of the phase-out of federal unemployment insurance, the average maximum number of benefit weeks available fell from 84 weeks to 58 weeks at the beginning of the year. Meanwhile, the number of people receiving some form of federal unemployment insurance tumbled from a peak of six million in March 2010 to just over two million in November. Yet, long-

term unemployment remains at near-record levels, and is as much of a crisis today as it was at the peak of the downturn.

Economist and Nobel Laureate [Paul Krugman](#) recently called attention to the “forgotten millions,” those individuals and families whose lives are “falling apart” because they can’t find work. Reauthorizing the EUC program is not a cure-all, but it would give the most vulnerable families a fighting chance in the New Year.



CONGRESS MUST ACT

Congress should immediately renew the Emergency Unemployment Compensation program through 2013, and provide additional funding to support model programs that address the employment needs of the long-term unemployed.

About NELP and UnemployedWorkers.org

The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. NELP promotes policies to create good jobs, enforce hard-won workplace rights, and help unemployed workers regain their economic footing. [UnemployedWorkers.org](#), a project of NELP, is a grassroots online campaign and informational portal that serves, engages, and informs unemployed workers. For more about NELP, please visit www.nelp.org.