

Extending Unemployment Benefits:

Stimulus Legislation Includes McDermott/Rangel Bill

Legislation: As proposed by HR 6867, the economic stimulus legislation would amend the current Emergency Unemployment Compensation (EUC) program to provide another 7 weeks of extended unemployment benefits in every State (bringing the total amount of potential extended benefits to 20 weeks).

The legislation also would provide an additional 13 weeks in high unemployment States defined as having a seasonally-adjusted, three-month average total unemployment rate of 6 percent (providing a total of up to 33 weeks of extended benefits).

The current phase-out of the EUC program (which prevents new enrollees after March 31, 2009) would remain in place, allowing the next Congress to determine the ultimate duration of the program.

The Congressional Budget Office estimates the bill would provide nearly \$6 billion in extended unemployment benefits.

Why It Is Needed:

The U.S. economy has lost jobs in every single month of 2008. In total, the economy has shed over 600,000 jobs.

Over the last 12 months, the number of unemployed Americans has increased by 2.2 million, with nearly 900,000 joining the ranks of the unemployed since Congress enacted the EUC program in June.

In August, there were a total of 9.4 million unemployed workers, bringing the unemployment rate to a five-year high of 6.1 percent.

New claims for unemployment benefits just hit a 7-year high.

Nearly 800,000 workers are projected to exhaust their current extended benefits in October unless Congress acts (see reverse side for State-by-State projections).

There are currently 19 States with unemployment rates averaging 6 percent or higher over the last 3 months (inc. D.C. and P.R.) – double the number compared to when Congress passed the EUC program in June.

Estimated Number of Workers Exhausting the 13-Week Emergency Unemployment Compensation (EUC) Program

| | | November-December | |
|----------------|--------------|-------------------|------------|
| | October 2008 | 2008 | Total 2008 |
| Alabama | 8,142 | 2,978 | 11,120 |
| Alaska | 4,015 | 1,737 | 5,752 |
| Arizona | 10,646 | 4,977 | 15,623 |
| Arkansas | 8,246 | 2,646 | 10,892 |
| California | 130,709 | 70,221 | 200,929 |
| Colorado | 8,045 | 4,159 | 12,204 |
| Connecticut | 11,091 | 4,725 | 15,816 |
| DC | 2,630 | 1,039 | 3,669 |
| Delaware | 2,259 | 990 | 3,249 |
| Florida | 45,883 | 20,829 | 66,712 |
| Georgia | 23,067 | 9,273 | 32,340 |
| Hawaii | 1,638 | 767 | 2,405 |
| Idaho | 3,878 | 2,010 | 5,888 |
| Illinois | 35,988 | 16,968 | 52,955 |
| Indiana | 21,262 | 11,146 | 32,408 |
| Iowa | 6,123 | 2,636 | 8,759 |
| Kansas | 5,029 | 2,699 | 7,728 |
| Kentucky | 7,050 | 2,697 | 9,748 |
| Louisiana | 5,936 | 2,809 | 8,745 |
| Maine | 2,834 | 1,477 | 4,311 |
| Maryland | 9,917 | 4,485 | 14,401 |
| Massachusetts | 21,432 | 11,041 | 32,474 |
| Michigan | 42,628 | 15,366 | 57,994 |
| Minnesota | 13,759 | 6,002 | 19,761 |
| Mississippi | 4,926 | 1,925 | 6,851 |
| Missouri | 12,105 | 6,203 | 18,309 |
| Montana | 1,986 | 959 | 2,944 |
| Nebraska | 3,652 | 1,845 | 5,497 |
| Nevada | 9,356 | 4,597 | 13,954 |
| New Hampshire | 1,350 | 669 | 2,019 |
| New Jersey | 39,263 | 16,834 | 56,097 |
| New Mexico | 3,648 | 1,621 | 5,269 |
| New York | 45,908 | 24,517 | 70,426 |
| North Carolina | 29,841 | 12,931 | 42,772 |
| North Dakota | 1,110 | 464 | 1,574 |
| Ohio | 22,478 | 11,911 | 34,389 |
| Oklahoma | 4,211 | 1,900 | 6,111 |
| Oregon | 12,191 | 6,017 | 18,208 |
| Pennsylvania | 38,986 | 17,478 | 56,465 |
| Rhode Island | 4,749 | 2,432 | 7,181 |
| South Carolina | 12,814 | 5,334 | 18,147 |
| South Dakota | 224 | 107 | 331 |
| Tennessee | 14,897 | 5,731 | 20,628 |
| Texas | 31,411 | 12,887 | 44,298 |
| Utah | 2,616 | 1,055 | 3,672 |
| Vermont | 1,213 | 542 | 1,756 |
| Virginia | 10,905 | 5,018 | 15,923 |
| Washington | 9,970 | 5,015 | 14,985 |
| West Virginia | 2,718 | 1,359 | 4,077 |
| Wisconsin | 19,171 | 9,229 | 28,400 |
| Wyoming | 813 | 395 | 1,208 |
| US Total | 774,721 | 362,652 | 1,137,373 |

Source: Estimates prepared by the National Employment Law Project based on U.S. Department of Labor data. The state estimates account for the number of workers receiving EUC based on the average take-up rate for the federal extension that was in place during the last recession (i.e., 35 percent for those were unemployed over the prior year and exhausted their regular state benefits). This state number was then multiplied by the average rate that workers exhausted the last federal extension of unemployment benefits (i.e., 70 percent) to arrive at the estimated number exhausting the current EUC program.