

The Exhaustee Situation in North Carolina

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In North Carolina, unemployed workers may first qualify for up to 26 weeks of regular state unemployment benefits. Over the past three months, nearly 36,000 workers have exhausted these benefits without finding a job. The number of “exhaustees” in North Carolina has jumped 249 percent over the past two years, from around 10,000 to nearly 36,000 over similar three-month periods. This is an indication that long-term unemployment in the state has grown significantly. The state’s 6.6 percent average unemployment rate over the past three months is the fourth highest in the nation.

Since the enactment of temporary federal legislation in March 2002, unemployed workers in the state who exhaust their regular state benefits have been able to qualify for federally funded benefits. Beginning several weeks ago, the duration of federally funded benefits for which North Carolina workers can qualify was increased to 26 weeks. Thus, the temporary federal program (called the Temporary Emergency Unemployment Compensation or “TEUC” program) currently is adequate for North Carolina. However, the TEUC program will soon become inadequate for the state: as of the week ending November 16th, the number of weeks of additional benefits will decline to 13.

Over the past month Congress has begun to consider whether to provide additional weeks of federal unemployment benefits to those who have exhausted their TEUC benefits and remain without work, whether to provide more weeks of benefits to the unemployed in high unemployment states, and whether to extend the current TEUC program beyond its current expiration date at the end of the year. The definition of “high unemployment” is a crucial issue for North Carolina.