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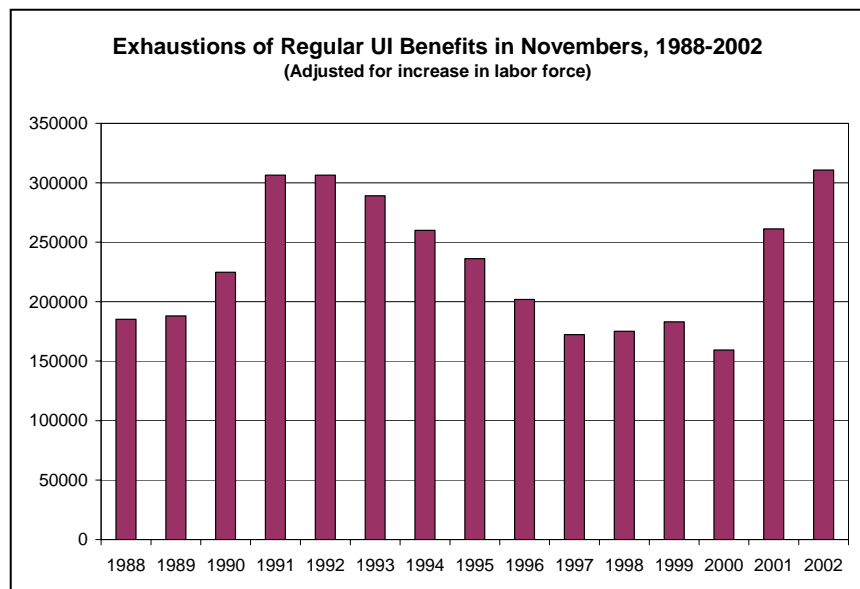
NOVEMBER EXHAUSTION DATA CONFIRM NEED FOR NATIONAL EXTENSION OF TEMPORARY UNEMPLOYMENT BENEFITS

By Jessica Goldberg

More than 300,000 workers exhausted their regular, state-funded unemployment insurance (UI) benefits in November, according to new Department of Labor data. Workers who exhausted their state UI benefits qualified for federally funded UI benefits under the Temporary Extended Unemployment Compensation program until December 28, when that program expired.

Since workers who exhaust their regular UI benefits have a strong attachment to the labor force but have been unable to find new work for more than six months, the exhaustion data are an indication of long-term unemployment. The new data show that the long-term unemployment situation is still serious by historical standards:

- Almost 20 percent more workers exhausted their regular UI benefits in November 2002 than in November 2001. Over the most recent three-month period as a whole (September-November 2002), about 30 percent more workers exhausted their benefits than in the same three-month period of 2001. Comparing the same months of different years eliminates seasonal variations in unemployment data.
- Even after the data are adjusted to reflect the growth of the labor force over the past decade, slightly more workers exhausted their regular UI benefits in November 2002 than in any November in the previous economic downturn, in the early 1990s. Of further interest, as the graph below shows, the *increase* in exhaustions — and thus the increase in long-term unemployment — also has been greater in this downturn than the last one. (The increase between the pre-



recession low of November 1988 and the recession peak of November 1991 was smaller than the increase between November 2000 and November 2002.)

- The new data mark the twenty-first consecutive month in which exhaustions of regular UI benefits increased relative to the same month in the previous year.
- In November, 45 percent of workers whose regular UI benefits were scheduled to run out during that period came to the end of their benefits without being able to find work, one of the highest rates for a November on record. Indeed, if the most recent three-month period is examined, the “exhaustion rate” is also 45 percent, but as a three-month average it is a record for the September-November period (with data going back to 1980). The high exhaustion rate indicates that it remains quite difficult for UI recipients to find jobs.

The persistently poor long-term unemployment situation demonstrates the continued need for the TEUC program and suggests the importance of renewing the program in all states. In every state, total exhaustions over the most recent three-month period were at least 25 percent higher than in those same months of 2000, before the downturn began. Even if one compares the most recent three-month period to the same period of 2001 — well *after* the downturn began — one finds a worsening of long-term unemployment. In all but one state, there were more exhaustions in the most recent three months than in those same months of 2001. (See Table 1 for state-by-state data.)

Exhaustion rates are also high across the country: the average exhaustion rate in the 31 states with unemployment rates below 5.5 percent was 43.1 percent, only slightly lower than the 46.9 percent average in the 20 states with the highest unemployment rates.

Total Exhaustions of TEUC Benefits Reach Two Million in November

Labor Department data also show that in November 2002, more than 230,000 workers ran out of federal unemployment benefits without finding work. In total, nearly two million workers exhausted their temporary federal unemployment benefits between the creation of the Temporary Extended Unemployment Compensation program in March and the end of November. The total likely reached 2.2 million by the end of December, and of those, we estimate that more than one million are still unemployed.

Table 1. Exhaustions of Regular State UI Benefits

	Total, September- November 2002	Percentage change, relative to last year	Percentage change, relative to two years ago
Alabama	11,290	20%	70%
Alaska	4,297	31%	25%
Arizona	14,256	48%	131%
Arkansas	9,496	22%	88%
California	165,287	38%	105%
Colorado	14,409	57%	219%
Connecticut	14,317	55%	164%
Delaware	1,933	23%	50%
DC	3,038	39%	59%
Florida	44,388	24%	73%
Georgia	25,639	17%	169%
Hawaii	2,359	20%	55%
Idaho	3,749	20%	102%
Illinois	50,673	33%	135%
Indiana	17,640	17%	122%
Iowa	6,704	33%	94%
Kansas	7,816	61%	92%
Kentucky	9,361	25%	120%
Louisiana	9,502	48%	71%
Maine	2,442	9%	87%
Maryland	11,705	34%	101%
Massachusetts	33,215	52%	171%
Michigan	40,113	26%	144%
Minnesota	14,471	33%	155%
Mississippi	6,857	10%	71%
Missouri	17,050	30%	180%
Montana	1,635	-2%	30%
Nebraska	4,598	64%	135%
Nevada	7,840	16%	61%
New Hampshire	1,754	53%	NA
New Jersey	46,959	32%	91%
New Mexico	3,567	51%	106%
New York	83,293	31%	119%
North Carolina	32,728	50%	238%
North Dakota	738	63%	35%
Ohio	30,396	31%	165%
Oklahoma	7,276	17%	179%
Oregon	18,055	26%	130%
Pennsylvania	48,768	32%	110%
Rhode Island	3,946	12%	44%
South Carolina	13,760	23%	137%
South Dakota	457	69%	269%
Tennessee	19,216	4%	70%
Texas	66,071	5%	71%
Utah	6,308	52%	132%
Vermont	1,599	89%	203%
Virginia	16,538	91%	263%
Washington	26,346	36%	125%
West Virginia	3,410	36%	79%
Wisconsin	18,325	24%	119%
Wyoming	771	77%	73%
Total	1,006,361	30%	115%