



820 First Street, NE, Suite 510, Washington, DC 20002
Tel: 202-408-1080 Fax: 202-371-1569 center@cbpp.org www.cbpp.org

FOR IMMEDIATE RELEASE
Saturday, December 14, 2002

CONTACT: Michelle Bazie
202-408-1080

WHAT TYPE OF UNEMPLOYMENT INSURANCE “EXTENSION” DOES THE PRESIDENT SUPPORT?

President’s Statement Fails to Indicate Where He Stands on House Republican Proposal to Curtail Unemployment Benefits in Most States

After several months of silence on the issue, President Bush finally expressed support in his December 14 radio address for an “extension” of the Temporary Emergency Unemployment Compensation (TEUC) program and urged Congress to make this “a first order of business” upon its return.

“For the 750,000 or more unemployed workers whose benefits will be terminated on December 28, the President’s support is welcome although it comes painfully late,” said Robert Greenstein, executive director of the Center on Budget and Policy Priorities. “Had the President weighed in while Congress was in session, these 750,000 jobless workers almost certainly would not have to go several weeks during the holiday season with neither a paycheck nor an unemployment check.”

Of particular concern, while the President voiced support for providing TEUC benefits to those whose benefits will be cut off on December 28, he failed to indicate whether he supports providing TEUC benefits to unemployed workers whose regular, state-funded unemployment benefits run out *after* December 28. This is a crucial point.

- Under the current TEUC program, individuals in all states who exhaust their regular unemployment benefits before finding work are eligible for federal TEUC benefits, which typically last 13 weeks.
- After December 28, an estimated 95,000 jobless workers a week will exhaust their regular unemployment benefits. If federal TEUC benefits are not available to these workers, the number of workers who exhaust their regular benefits in January without receiving any further weeks of benefits will be larger than in any other January on record (with data going back to 1973). In the past, whenever the number of individuals whose regular unemployment benefits have run out before they can find work has been this high, additional weeks of federal benefits have been provided in all states.
- The bipartisan bill the Senate passed in November would provide TEUC benefits to workers in all states who exhaust their regular benefits after December 28, continuing the current program in full. By contrast, the leadership-designed House bill passed in November would provide TEUC benefits in only about three

states to workers whose regular unemployment benefits run out after December 28.

- The President's radio address did nothing to indicate whether the President supports the parsimonious House approach or the full extension that the Senate approved. The President said only that he supports extending benefits for the 750,000 workers who already are receiving TEUC benefits and whose benefits will be cut off in midstream on December 28. He did not say whether he favors providing TEUC benefits to the additional 95,000 workers a week whose regular benefits run out after December 28. House Republicans have characterized their bill as an "extension" of the TEUC program even though it scales the program back sharply.

"The President needs to make clear that he supports a full extension of the temporary federal benefits program," Greenstein added. "Otherwise, he may signal that he would find acceptable a very limited extension of the program that leaves out 300,000 to 400,000 jobless workers who will exhaust their regular unemployment benefits in January and hundreds of thousands more whose regular benefits will run out in February and March.

Greenstein also observed that "the statement the President issued today avoids taking any position on whether he favors the Senate or House approach and, as a result, does not make progress in resolving the differences between these two bills. Such a lack of Presidential leadership in November contributed to the current impasse."

The TEUC Program Needs to Extended *and* Strengthened

"A final concern about the President's statement is that it pays no heed to the approximately one million jobless workers who already have exhausted their TEUC benefits but have yet to find a job," noted Wendell Primus, director of the Center's income security division. "These workers are without either a paycheck or an unemployment check."

Even as it currently stands, the TEUC program is considerably weaker than the temporary federal unemployment benefit programs established during previous economic slumps. It provides fewer weeks of benefits than did the temporary program established in the early 1990s. As a consequence, the number of workers who have run out of federal unemployment benefits without finding a job since the TEUC program began in March is *more than twice as great* as the number of workers who exhausted their temporary federal unemployment benefits over a similar period of time during the downturn of the early 1990s. With job growth at a near-standstill, additional weeks of TEUC benefits need to be provided to those who have exhausted both their federal and state unemployment benefits but are still unable to find work.

The Center on Budget and Policy Priorities is a nonprofit, nonpartisan research organization and policy institute that conducts research and analysis on a range of government policies and programs. It is supported primarily by foundation grants.

###