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**NOVEMBER LABOR MARKET DATA CONFIRM THE NEED  
TO EXTEND AND STRENGTHEN  
THE TEMPORARY FEDERAL UNEMPLOYMENT PROGRAM**

**Unemployment Rate and Long-term Unemployment Both Increase**

Newly released Labor Department data show that the labor market is not on the road to recovery, according to two new analyses by the Center on Budget and Policy Priorities. The unemployment rate increased from 5.7 percent in October to 6.0 percent in November as the number of unemployed Americans rose by 300,000, to 8.5 million. Long-term unemployment and the unemployment rates for some specific groups also increased substantially.

"The House of Representatives made an irresponsible decision to go home without extending the federal unemployment insurance program for 13 weeks, as approved by the Senate," said Wendell Primus, director of the Center's income security division. "The Administration and the House leadership can partially redeem themselves by announcing immediately that extending and strengthening that program will be the first order of business when the new Congress convenes in early January."

The analysis of the Labor Department data released today finds:

**Signs of a persistently weak labor market include the following data:**

- The November seasonally adjusted unemployment rate of 6.0 percent matches the peak thus far in this downturn, also reached in April 2002. Since April, the unemployment rate had varied between 5.6 percent and 5.9 percent before returning to 6.0 percent in November. The fact that November's unemployment rate matches April's shows that the unemployment situation has not improved over the last eight months, and by this measure is actually worse than when the temporary federal unemployment insurance program began in March 2002.
- Total nonfarm employment was little changed in November at 130.9 million, a decline of 40,000 jobs from October. This marks the third consecutive month in which payroll employment remained essentially flat. Since the recession began in March 2001, employment has fallen by 1.5 million.

(more)

**Substantial long-term unemployment persists. The new data show that:**

- Some 1.73 million individuals have been unemployed 27 weeks or more, the highest number of long-term unemployed individuals since September 1993.
- About one in five individuals (20.6 percent) who are unemployed have been unemployed for six months or more. This is the highest such percentage since the current economic slump began in March 2001.

**Particularly troubling data were reported for men:**

- The unemployment rate for men aged 20 or over increased from 5.2 percent in October to 5.7 percent in November. The unemployment rate for black men aged 20 or over increased from 9.7 percent to 10.9 percent. Both of these unemployment rates are the highest since the economic downturn began.
- Some 4.7 million of the unemployed workers in November were job losers, individuals who lost their last job or are on temporary lay-off and usually are eligible for unemployment insurance. The unemployment rate for job losers in November is the highest since January 1993.

**Analysis of Exhaustion Data**

A separate Center analysis of Labor Department data on the number of individuals who are exhausting their weeks of unemployment insurance without finding a job confirms the continued significance of the problem of the long-term unemployed. The findings of that report include:

- Some 360,000 workers exhausted their regular unemployment benefits in October 2002 without finding work. That is larger than the number of workers who exhausted regular unemployment benefits during any October of the economic slump of the early 1990s. (If the number of workers exhausting benefits in the early 1990s is adjusted upward to reflect growth in the size of the labor force since that time, the number of workers exhausting their regular unemployment insurance benefits in October 2002 is at the same level as the number who exhausted benefits in the October during the previous recession of the early 1990s in which this number was highest.)
- Indeed, 47 percent of workers who first received benefits six months ago (in March) exhausted those benefits in October. This “exhaustion rate” is higher than the rate for any previous October on record, including Octobers during the recession of the early 1990s and the severe recession of the early 1980s. The exhaustion rates for July, August, and September also set record highs. This strongly indicates that the need for a federal program to assist these workers has not diminished.
- Temporary federal unemployment programs established during the downturns of the 1980s and the 1990s did not end until long-term unemployment had fallen for many months. The current program will soon expire, even though the latest data show that long-term unemployment is still increasing.

- In October, 280,000 individuals exhausted their federal unemployment benefits without finding jobs. In all, 1.73 million workers have exhausted these federal benefits since the program was created last March. This suggests the program should be extended beyond its December 28th expiration date and strengthened by providing workers with additional weeks of benefits, as was done in the last recession.

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For additional information on the need for extending Unemployment Insurance benefits, see *A Response to Arguments Against Extending the Temporary Federal Unemployment Benefits Program*, available at <<http://www.cbpp.org/12-6-02ui2.htm>>