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Until the Jobs Really Come Back, Restoring the Temporary Federal Unemployment Benefits Program is the Best Immediate Policy Step

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Today's report showing that the number of jobs is growing, but still at a modest pace, underscores that it will take considerable time before the labor market is reasonably healthy. There are still 2.4 million fewer jobs in the economy than when the recession began. At the pace of last month's job growth, it would take nearly two years for this jobs deficit to be closed.

Since it will take some time for jobs to come back, a pressing question remains: should anything else be done to assist the unemployed in the meanwhile? The most straightforward part of the answer to this question is to resume the temporary federal unemployment benefits program that was allowed to expire in December 2003. In just the six weeks that the program has quit accepting new applicants, an estimated half a million of the unemployed who have exhausted their regular, state benefits already have gone without federal aid. By the middle of the year, an estimated two million individuals will run out of their unemployment benefits — and go without a paycheck or unemployment benefits — if the program isn't restarted.

*The number of individuals exhausting their regular unemployment benefits and not qualifying for further aid is higher than at any other time on record.*¹ Temporary federal assistance to the unemployed should end when the labor market is close to healthy, not when long-term unemployment remains pervasive and the number of jobs in the economy remains far below pre-recession levels, as is the case today.

This week, the House of Representatives voted to resume temporary federal unemployment benefits. The shortfall in jobs demands that Congress waste no time in putting this program back in place.

A positive word from the President could make this happen quickly. For months the Administration has refused to say whether it supported ending the program, or whether it supports resuming this program. President Bush should end his silence on this issue and call for resuming the federal benefits that are so essential to the nation's unemployed.

¹ Data are available back to 1973. See the recent Center report, "Unmet Need Hits Record Level for the Unemployed," revised February 2, 2004.