



# CENTER ON BUDGET AND POLICY PRIORITIES

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

**Testimony of Wendell Primus**  
**Director, Income Security, Center on Budget and Policy Priorities**  
**Before the Health, Education, Labor & Pensions Committee**  
**United States Senate**  
**September 12, 2002**

Mr. Chairman and Members of the Health, Education, Labor & Pensions Committee: My name is Wendell Primus, and I am the Director of Income Security at the Center on Budget and Policy Priorities. The Center is a nonpartisan, nonprofit policy organization that conducts research and analysis on a wide range of issues affecting low- and moderate-income families. We are primarily funded by foundations and receive no federal funding.

I very much appreciate the opportunity to testify on what Congress should do for unemployed Americans in the context of the current economic situation. In summary, the legislation you have introduced (S. 2892) addresses an urgent issue. It would assist unemployed Americans to a significant degree by broadening coverage, providing additional weeks of benefits, and raising the Temporary Emergency Unemployment Compensation (TEUC) benefit amount. In reforming the TEUC program, it is useful to recall that improvements to the Unemployment Insurance (UI) system serve a two-fold purpose. First, they assist workers who are unemployed through no fault of their own to meet their daily living expenses, such as rent or mortgage payments, utilities, and groceries. Second, nearly all of the money is immediately spent, thus boosting consumer demand and mitigating further layoffs. Most other forms of fiscal stimulus do not serve such pressing needs.

In my testimony, I will describe the current unemployment situation and the Temporary Emergency Unemployment Compensation program. I will explain that workers are by many measures worse off in the current recession than in the recession of the early 1990s, and that the TEUC program is less generous than the Emergency Unemployment Compensation program that was in place during that last recession. I conclude with several suggestions for improving the TEUC program.

## **Summary**

A cursory examination of current unemployment statistics would suggest that this recession is mild in comparison to the prior recession and therefore no additional weeks of federal unemployment benefits need to be provided to unemployed workers beyond what was enacted in March in the economic stimulus legislation. Such an analysis might conclude that the current unemployment rate – 5.7 percent as of August 2002 – indicates the recession is quite mild and is harming only a modest number of workers.

This assessment is mistaken. Although by some commonly used measures the consequences of the recent downturn have not been as severe as the consequences of the

recession of the early 1990s, by certain other measures the recession that began last year has hit workers just as hard as the recession of the early 1990s. In fact, by some important measures, such as the actual number of workers whose federally-funded unemployment benefits are running out before they are able to find a new job, this recession has hit workers *harder* than the last recession.

The unemployment situation has not yet significantly improved; in fact, the latest unemployment rate indicates that unemployment is unchanged from its level when the Temporary Emergency Unemployment Compensation (TEUC) program was enacted in March 2002. The Congressional Budget Office predicts that the unemployment rate will remain near 6 percent until the second half of 2003, well after the program's expiration date of January 1, 2003. The evidence of the difficult labor market conditions facing workers in this recession relative to the last recession and historical precedent for a longer and a more generous program combine to present a strong case for extending and expanding the TEUC program.

- Unemployment data from the Bureau of Labor Statistics (BLS) indicate that, on average, there were 2.7 million more unemployed workers in the three-month period from June to August 2002 than in June to August two years ago, and 1.9 million more unemployed than in the same months one year ago.
- The increase in the number of workers with significant labor force experience who cannot find a job before their unemployment benefits are exhausted is a particularly striking measure of the depth of the current recession. Nationally, the number of unemployed workers exhausting their regular state unemployment benefits has doubled from the level two years ago.

The most accurate way to evaluate a recession's impact on unemployment is to examine the increase in unemployment during the recession, rather than the overall unemployment rate. In other words, it is the increase in unemployment that measures the degree to which the economic situation of workers has worsened as a consequence of a downturn.

- The Adjusted Insured Unemployment Rate (AIUR), which measures both short- and long-term unemployment of experienced workers, has increased by 1.5 percentage points between the three-month periods of June-August 2000 and June-August 2002.<sup>1</sup> In the last recession, the AIUR rose by 1.1 percentage points between June-August 1990 and June-August 1992. (For further explanation of the different definitions of unemployment used here, please see the Appendix.)
- During the last six months, the number of workers who have run out of state UI benefits is 2.3 million, compared to 2.0 million for a six-month period ten years ago. Thirty-two states plus the District of Columbia had larger increases in exhaustions during this recession than the last recession, and 16 states had more exhaustions over a six-month period in the current recession than in the last. Nationally, during comparable time periods, exhaustions increased by 875,000 in

---

<sup>1</sup> The Adjusted Insured Unemployment Rate (AIUR) is the number of unemployed workers collecting UI benefits in a given month plus the previous three months of exhaustion data. It does not include unemployed workers with unemployment spells of more than 39 weeks.

the last recession; in this recession they increased by a larger amount — 1,185,000.

- During comparable time periods, more workers also will exhaust their *federal* UI benefits in this recession than in the last recession.<sup>2</sup> Approximately 2.2 million workers will exhaust their TEUC benefits by the end of December 2002. This substantially exceeds the 1.4 million workers who exhausted their temporary federal benefits in the 1990s recession. This finding confirms the theory that the current TEUC program is inadequate.

Additionally, some characteristics of the TEUC program reduce its effectiveness both as a means of assistance to unemployed workers and as an economic stimulus. Extending the expiration date and increasing the number of weeks of benefits available are changes dictated by economic conditions and historical precedent. At the same time, changing other program requirements can strengthen the TEUC program's impact. Changes to the TEUC program should include:

- Extending the expiration date of the program beyond January 1, 2003.
- Increasing the number of weeks of benefits under the program.
- Modifying the definition of "high-unemployment" for the purposes of the program so that more than two states qualify for the highest tier of benefits.
- Removing the explicit requirement that workers have at least 20 weeks of wages in their base period to receive TEUC benefits, so long as workers meet the earnings requirements for regular UI benefits in their states.

## **Changes in Unemployment**

By most measures of unemployment, the increase in unemployment during this recession is somewhat similar to or exceeds the increase during the recession of the early 1990s.

The official seasonally adjusted unemployment data from the U.S. Department of Labor's Bureau of Labor Statistics (BLS) include anyone who is classified as unemployed, regardless of the reason for their unemployment. This data is used to compute the Total Unemployment Rate (TUR). The official unemployment data show substantial increases in both the number of unemployed and the unemployment rate since the recession began in March 2001; these increases are similar to, but somewhat less than, those that occurred in the early 1990s recession.

- BLS data indicate that there were 2.3 million more unemployed workers in August 2002 than there were in February 2001, the month before the recession began. During the recession of the early 1990s, 18 months into the recession, the number of unemployed had increased by 2.6 million, a somewhat larger figure.

---

<sup>2</sup> Wendell Primus and Jessica Goldberg. "Number of Workers Exhausting Federal Unemployment Insurance Benefits Will Reach an Estimated 1.5 Million by the End of September and Exceed Levels in the Last Recession." Center on Budget and Policy Priorities, September 6, 2002.

- Comparing the average unemployment over two three-month periods can provide a better picture of changes in unemployment than comparing two single months, since three-month averages incorporate more information and smooth out one-month aberrations. (BLS unemployment data are prone to these aberrations because they are based on a sample.) Comparing the three months prior to the start of the current recession in March 2001 to the latest three months for which information is available shows that unemployment grew by an average of 2.5 million workers. During this period, the average three-month unemployment rate grew from 4.1 percent to 5.8 percent, an increase of 1.7 percentage points.
- Some 18 months into the recession of the early 1990s, the average number of unemployed over a three-month period had grown by 2.3 million workers compared to the three months just prior to the recession. During this period the average three-month TUR grew from 5.3 percent to 7.1 percent, an increase of 1.8 percentage points. Thus, comparing the figures from the two downturns, the actual increases in the number of unemployed persons and increases in the unemployment rate are similar.
- However, it took about 24 months in the 1990 recession for unemployment to peak. Over this period, the three-month average unemployment rate increased 2.2 percentage points.

A second set of indicators comes from the information compiled for the Unemployment Insurance program. The measure of unemployment used here is the *Insured* Unemployment Rate (IUR), which measures the number of workers that are receiving regular, state-funded Unemployment Insurance benefits. One advantage of this measure is that since in most states an unemployed worker must have a minimum level of earnings and weeks of work history to qualify for UI benefits, to some degree the IUR measures unemployment among experienced workers with a significant labor force attachment.

The proportion of workers receiving state unemployment benefits has actually risen more during this recession than the last recession.

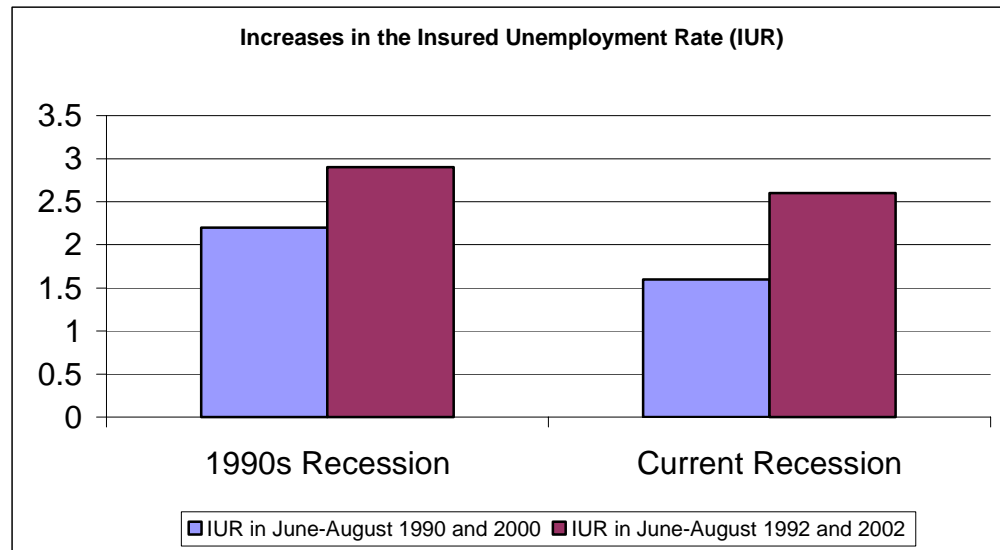
- Because most unemployment insurance data is not seasonally adjusted and because averaging three months of data is technically better, the remainder of this analysis uses three-month averages, centered two years apart.<sup>3</sup>
- Between June-August 1990 and June-August 1992,<sup>4</sup> the IUR increased from 2.4 percent to 3.1 percent, an increase of 0.7 percentage points. However, during the last two years for which data are available, the three-month average IUR increased from 1.7 percent to 2.8 percent, a 1.1 percentage point increase. The

---

<sup>3</sup> If anything, since the current figures include an initial six months that preceded the downturn, this should produce comparisons slightly biased towards overstating the impact of the 1990s recession and understating the current recession. See Appendix for more information.

<sup>4</sup> This comparison contrasts the average monthly seasonally adjusted IUR from June 1990-August 1990 to the average monthly IUR from June 1992-August 1992. This is the one set of UI data for which seasonal adjustments are available.

larger increase in this rate indicates that, for experienced workers, the impact of this recession is somewhat more severe than the impact of the previous recession. See the graph below.



Although the IUR is a better measure of unemployment among experienced workers than the official unemployment rate, it too has several defects.<sup>5</sup> Of special note here, the IUR does not take into account experienced workers who have been unemployed for such a long period of time that they have exhausted their regular unemployment benefits, which typically end after 26 weeks or less. So unemployed workers who are receiving temporary federal benefits or who have exhausted their regular or federal benefits — that is, workers who presumably have had the most trouble finding a job and whose economic situation is especially perilous — are not counted by this measure.

It is also worth examining a third measure of unemployment, the Adjusted Insured Unemployment Rate (AIUR), which measures both short- and long-term unemployment of experienced workers.<sup>6</sup>

- The AIUR has increased more sharply in the past two years than it did during a comparable two-year period covering the early 1990s recession.
- The AIUR increased by 1.5 percentage points between June-August 2000 and June-August 2002. During a comparable two-year period of the last recession, the AIUR rose by 1.1 percentage points, as depicted in the graph below.

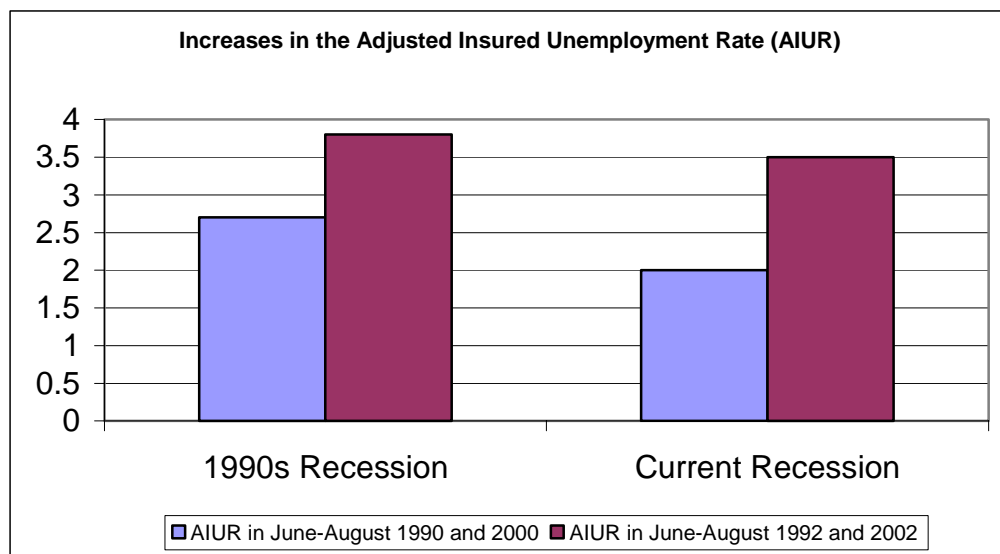
---

<sup>5</sup> The IUR includes only unemployed workers receiving regular state UI benefits. Some workers who are experienced — such as workers employed for a considerable number of years in part-time jobs — do not receive unemployment insurance benefits because of eligibility restrictions. Further, just who is eligible for unemployment insurance varies widely among the states.

<sup>6</sup> The Adjusted Insured Unemployment Rate is the IUR plus the previous three months of exhaustion data. It does not include unemployed workers with unemployment spells of more than 39 weeks. This definition was used in the Emergency Unemployment Compensation (EUC) program of the early 1990s.

- As shown in Table 1, the AIUR has increased more in 36 states in this recession compared to the last recession.
- Currently, there are 11 states with three-month average AIURs above 4 percent, compared to one state two years ago. In the last recession, there were 18 states with June to August average AIURs above 4 percent, up from three states over June to August 1990.
- In this recession, AIURs have increased by two percentage points or more in five states: Massachusetts, Michigan, North Carolina, Oregon, and Washington. AIURs increased by one percentage point or more in an additional 31 states, so a total of 36 states had increases of one percentage point or more. During the prior recession, only one state had an AIUR increase of over two percentage points, and only 23 states had increases of one percentage point or greater.

In summary, the “official” unemployment data show similar but sometimes somewhat smaller increases in unemployment in this recession compared to the last one. However, unemployment rate data from the Unemployment Insurance system show greater increases in this recession as compared to the prior recession.



### Workers Exhausting Unemployment Insurance Benefits

The importance of the recent unemployment increase is magnified by the recent increase in the number of workers that are exhausting their weeks of unemployment insurance benefits without finding a job. These workers have significant work experience but are unable to find a job before their benefits expire. The exhaustee data, in some cases, indicate that current labor market problems are now *worse* than they were in the early 1990s.

- The increase in the number of workers whose regular state UI benefits ran out before they were able to find a job was greater during this recession than during

the early 1990s recession. The increase in exhaustions between the February-July 2000 period as a whole and the February-July 2002 period as a whole was 1,185,000 workers. This exceeds the increase of 875,000 in the number of exhaustions between February-July 1990 and February-July 1992. (Comparing total exhaustions over two six-month periods is preferable to comparing exhaustions during two individual months, such as July 2000 and July 2002, because it accommodates seasonal fluctuations in unemployment. July 2002 is the most recent month for which exhaustion data are available.)

- The total number of exhaustions is also greater in this recession than the last: 2.3 million workers have exhausted their regular state UI benefits over the past six months, compared to 2.0 million for a six-month period at a comparable point in the last recession.<sup>7</sup> Nationally, the number of exhaustions has doubled in the past two years.
- These data in the aggregate and for each state are shown in Table 2. For example, in Alabama 24,811 workers have exhausted regular state UI benefits over the past six months for which data are available. This is 11,289 workers more than a comparable period two years earlier. The fourth column in the table illustrates the increase in exhaustions from a comparable period in the prior recession. In the following states, the increase in exhaustions in this recession was at least twice as large as the increase in the prior recession: Colorado, Indiana, Kentucky, Massachusetts, Michigan, Minnesota, Nebraska, New Hampshire, North Carolina, North Dakota, South Dakota, Texas, Utah, and Wisconsin.

To be sure, the size of the labor force has also grown since the early 1990s, so the increased number of exhaustees partly reflects the increased number of workers. But even after adjusting for changes in the size of the labor force, the increase in the total number of workers exhausting regular state benefits is greater in this recession than in the previous recession.

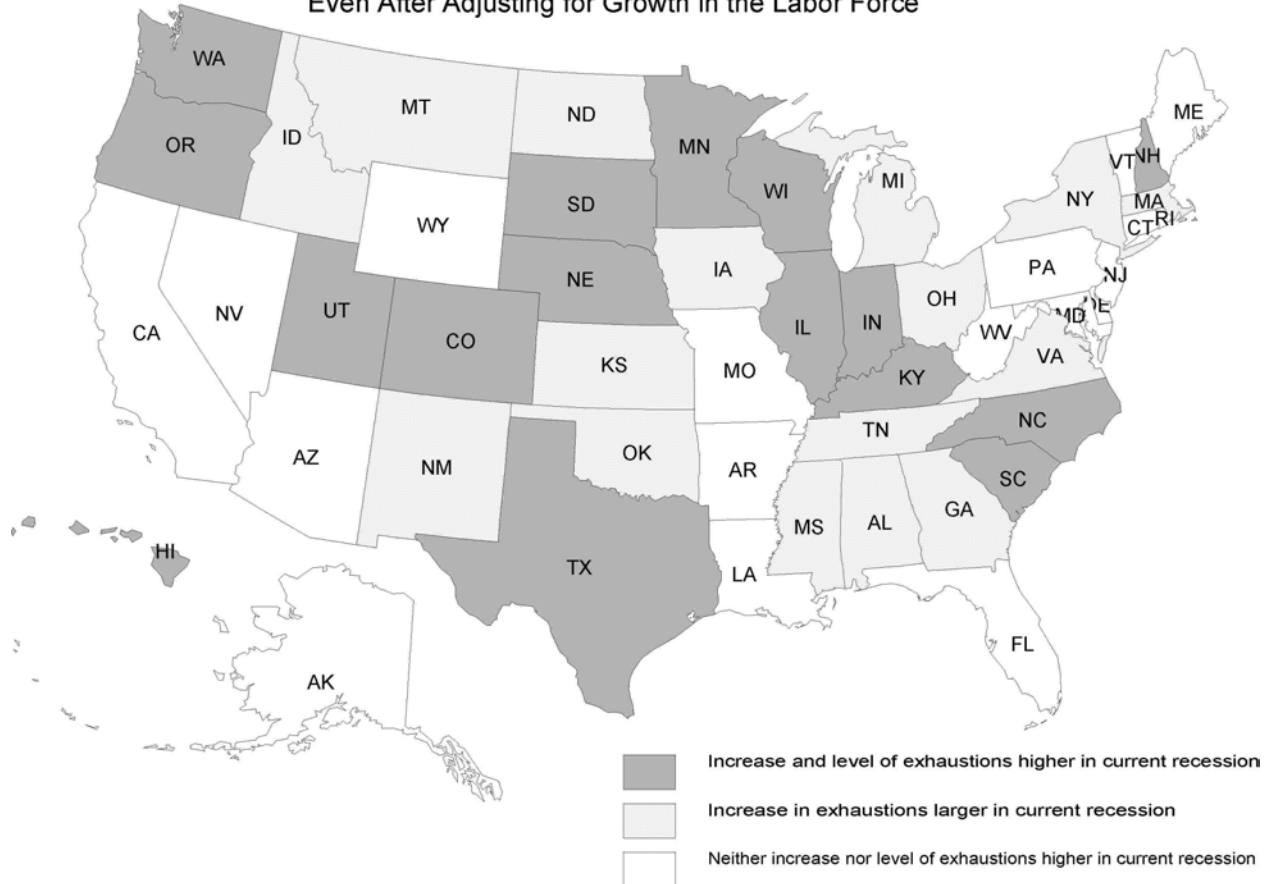
The state-by-state data, naturally, depict a similar pattern. Thirty-two states plus the District of Columbia have had larger increases in the number of unemployed workers exhausting their regular benefits, adjusted for the size of the covered labor force, during this recession than during the last recession.<sup>8</sup> In 16 of these states, after adjusting for the size of the covered labor force, both the increase and the level of exhaustions are larger in the current recession than in the previous recession.

---

<sup>7</sup> Adjusting for the size of the covered labor force, the number of exhaustions is slightly less.

<sup>8</sup> The “covered labor force” is all employees for whom UI taxes are paid. The UI system covers 97 percent of all wage and salary workers.

Thirty-three States Had Greater Increases of UI Exhaustions in this Recession Compared to the Previous Recession, Even After Adjusting for Growth in the Labor Force



### The August Unemployment Data

The recent decline in the Total Unemployment Rate in August, from 5.9 percent to 5.7 percent, received substantial attention as a positive sign for the labor market and the economy. While any signs of improvement in the labor market constitute good news, one should be hesitant about making too much of the August data, particularly in the context of assessing whether the Unemployment Insurance system needs strengthening.

- A one-month change of 0.2 percentage points does not a trend make. Several more months of similar data, or a more substantial drop in the rate, would be needed before it would become clear that the labor market is improving. As BLS itself noted, the unemployment rate for August was “little changed.”<sup>9</sup>
- The August unemployment rate of 5.7 percent is the same as the unemployment rate in March, when Congress created the TEUC program to address the rise in unemployment during the recession.

<sup>9</sup> “The Unemployment Situation: August 2002.” Bureau of Labor Statistics, September 6, 2002.



- The August labor market data included a much less encouraging figure that did not make the headlines. “Non-farm payroll employment” — generally considered to be the best measure of the number of jobs in the economy — increased by just 39,000, to 130.8 million. This barely perceptible increase in the number of jobs is more indicative of a stagnant labor market than a growing labor market.
- The proportion of the labor force consisting of people who lose their jobs involuntarily — the population that the Unemployment Insurance system is primarily designed to serve — did not decline at all in August.
- Many economists predict that unemployment will increase in subsequent months. Just a few weeks ago CBO predicted that unemployment will remain near 6 percent until the middle of next year.

### **TEUC Is Considerably Less Generous than EUC**

The TEUC program was enacted earlier this year as part of an economic stimulus package. It provides up to 26 weeks of additional UI benefits to workers who have exhausted their regular state UI benefits and who live in “high-unemployment states” (as defined by the program) and up to 13 weeks of additional benefits to workers in other states. To qualify for the additional weeks of benefits, workers must have met all the requirements to collect regular UI in their state, have exhausted those regular UI benefits, and still be unemployed. Also, workers must have at least 20 weeks of earnings in their base periods. Workers in high-unemployment states that have 13-week average IURs of at least 4 percent can collect TEUC benefits for as many weeks as they received regular state UI benefits, up to 26 weeks, and workers in other states may receive TEUC for half as many weeks as they received regular UI, up to 13 weeks. While states pay for regular UI benefits, TEUC benefits are federally financed.

The TEUC program is set to expire on January 1, 2003. No benefits will be paid after that date, even to workers who will not have received the full number of weeks of TEUC benefits for which they are eligible.

The Emergency Unemployment Compensation (EUC) program was established to provide additional benefits to workers during the recession of the early 1990s. That program, which was enacted in November 1991 and expired on May 1, 1994 — lasting for a total of 30 months — initially provided up to 33 weeks of benefits to workers in high-unemployment states and 26 weeks of benefits to workers in other states.<sup>10</sup> In July 1992, the program was revised to provide up to 26 weeks of benefits to workers in high-unemployment states and 20 weeks to workers in other states.

The EUC program used a different definition of “high-unemployment state” than is used by the current TEUC program. To qualify as high-unemployment states (and provide extra weeks of benefits), states had to have AIURs of at least 5 percent or six-month average Total Unemployment Rates of 9 percent.

---

<sup>10</sup> When enacted, the EUC program provided 13 or 20 weeks of benefits. However, before those benefits were exhausted, an additional 13 weeks were added.

### *Expiration date*

The TEUC program is currently set to expire on January 1, 2003, only 9.5 months after it began. According to the Congressional Budget Office, the unemployment rate will still be close to 6 percent at that time — higher than it was in March 2002, when the TEUC program was enacted, or in March 2001, when the recession began. Currently, the official unemployment rate remains 1.4 percentage points above its March 2001 level.

By the time the EUC program ended, the national TUR had returned to within 0.6 percentage points of its level at the beginning of that recession, after peaking 2.3 percentage points above that beginning level. The EUC program remained in place even after economic growth resumed because unemployment rates tend to lag behind the economic recovery and do not return to their pre-recessionary levels immediately. By the same logic, it is necessary to extend the expiration date of the TEUC program so that it does not end while unemployment remains high.

### *Number of weeks of benefits*

Under the TEUC program, workers in high-unemployment states may receive up to 26 weeks of additional federal benefits; workers in other states may receive up to 13 weeks of benefits. Currently, only two states qualify to provide 26 weeks of benefits, so the vast majority of TEUC recipients qualify for a maximum of 13 weeks. Up to 12 states qualified to provide 26 weeks of benefits at some point thus far in the TEUC program, but 10 states have dropped out of the “high-unemployment” category.

For the first seven months of the EUC program, workers in high-unemployment states could receive 33 weeks of temporary federal benefits and workers in other states could receive 26 weeks. After June 1992, workers in high-unemployment states received 26 weeks of benefits and workers in other states received 20 weeks of benefits. Not until March 1993, a full 16 months after the program began, were any recipients limited to fewer than 20 weeks of EUC benefits.

Also, more states qualified as high-unemployment states in the previous recession than in the current recession:

- Early in the EUC program, 15 states qualified to provide up to 33 weeks of benefits, with other states providing up to 26 weeks of benefits. Soon after the TEUC program was implemented, 12 states qualified to provide up to 26 weeks of benefits, while other states provided up to 13 weeks of benefits.
- Seven months into the EUC program, when the number of weeks of benefits available was reduced, 15 states still qualified to provide 26 weeks of benefits, and 20 weeks of benefits were available in the other states. In contrast, six months after the start of the TEUC program, only two states still qualify to provide 26 weeks of benefits, and only 13 weeks are available in other states.

- Almost two years after the EUC program began, the number of weeks available was again reduced. Seven states qualified to provide 15 weeks of additional benefits, and the remainder provided 10 weeks. The TEUC program is scheduled to expire after only nine-and-a-half months; no additional benefits will be available at the two-year mark.

<b>Maximum Number of Weeks of Additional Federal Benefits Available in the Prior and Current Recessions</b>				
	<b>EUC Benefits, 1991-94</b>		<b>TEUC Benefits, 2002</b>	
<b>Early*</b>				
Weeks of Benefits	<b>26 Weeks</b>	<b>33 Weeks</b>	<b>13 Weeks</b>	<b>26 Weeks</b>
Number of States	35	16	39	12
<b>Middle</b>				
Weeks of Benefits	<b>20 Weeks</b>	<b>26 Weeks</b>	<b>13 Weeks</b>	<b>26 Weeks</b>
Number of States	36	15	49	2
<b>Late</b>				
Weeks of Benefits	<b>10 Weeks</b>	<b>15 Weeks</b>	<b>0 Weeks</b>	<b>0 Weeks</b>
Number of States	44	7	0	0

\*Early refers to November 1991 and May 2002; middle refers to June 1992 and September 2002; late refers to March 1993. When first enacted in 1991, the EUC program provided 13 and 20 weeks of benefits, but before those benefits were exhausted, an additional 13 weeks were added. Number of states includes DC.

### *Definition of high unemployment*

As discussed above, only two states currently qualify to provide 26 weeks of additional TEUC benefits, and in the other states, only 13 weeks of additional benefits are available. While 12 states qualified to provide up to 26 weeks of benefits at some point during the program, ten have fallen out of the “high unemployment” category,<sup>11</sup> in large part because the trigger that provides extra weeks of benefits in high-unemployment states is flawed. It is based on a measure that does not include long-term unemployment and is not seasonally adjusted.

For the purposes of the TEUC program, classification as a high-unemployment state is based on the Insured Unemployment Rate, which does not include long-term unemployment. Workers who exhaust their regular state UI benefits and need additional assistance are not counted in the triggering mechanism for that very assistance. In other words, a worker who is receiving UI benefits in his 26<sup>th</sup> week of unemployment is included in the IUR, but when that worker exhausts regular UI and begins to receive TEUC benefits, he is dropped from the IUR calculation! The IUR counts a worker who exhausts his regular state UI benefits in the same way as a worker who has returned to his job — by dropping him from the numerator of the calculation. Thus, the IUR can decline in states where the unemployment situation is actually worsening because durations of unemployment are increasing.

<sup>11</sup> Alaska, Arkansas, California, Idaho, Massachusetts, Michigan, Nevada, New Jersey, Pennsylvania, and Wisconsin qualified to provide up to 26 weeks of TEUC benefits for part of the TEUC program, but had all triggered off of the second tier of benefits as of the end of July 2002.

Also, the IUR is not seasonally adjusted, even though unemployment is a seasonal phenomenon. Rates are expected to decline in the summer months, which has compounded the problems with the trigger levels. Of the ten states that were classified as high-unemployment states at some point during the program but no longer meet the definition, only three have had decreases of more than two-tenths of a percentage point in their seasonally adjusted Total Unemployment Rates. Two of the ten states have seen their overall unemployment rates *increase* by a half a percentage point or more since March, yet because their (not seasonally adjusted) IURs have decreased, they no longer qualify to provide the full 26 weeks of additional benefits.<sup>12</sup>

The AIUR, which does include long-term unemployment, was used to define high unemployment under the EUC program. States with AIURs of at least 5 percent qualified to provide up to 33 weeks of additional benefits during the first seven months of the program and 26 weeks thereafter. This use of a more appropriate trigger level meant that 16 states qualified to provide at 33 weeks of benefits early in the EUC program, and after the number of weeks available was reduced, 15 states remained eligible to provide 26 weeks of benefits.

#### *Twenty-week requirement*

Other characteristics of the TEUC program limit the extent to which it satisfies its goals of providing economic stimulus and assistance to unemployed workers. Some workers who exhausted their regular state UI benefits did not receive TEUC benefits at all, because in addition to having qualified for and exhausted regular state UI benefits, workers must have had at least 20 weeks of earnings in their base period to be eligible for TEUC benefits. Eligibility rules for regular state UI benefits in 23 states do not explicitly require 20 weeks of work, and workers who may have had fewer than 20 weeks of work but met the monetary and non-monetary eligibility requirements in those states were nonetheless ineligible for TEUC benefits if they exhausted their regular UI benefits.

While these 23 states could potentially pay regular UI benefits to workers who have fewer than 20 weeks of wages, it is believed that significant numbers of such workers are receiving regular state UI benefits in only ten states. It is estimated that requiring 20 weeks of work will cause almost 130,000 workers who would otherwise have received TEUC benefits during 2002 not to receive such benefits.

#### *Permanently change the trigger*

As in the early 1990s recession, the TEUC program should use an AIUR trigger to determine which states are high-unemployment states. The natural rate of unemployment is somewhat lower now than it was in the 1990s, and the trigger level should reflect this change in the underlying economic conditions. (For a discussion of the natural rate of unemployment, see the text box “The Natural Rate of Unemployment Has Changed Over Time.”) States should qualify to provide the longer period of TEUC benefits with an AIUR of at least four percent.

---

<sup>12</sup> Mathematically, the only way that the TUR can increase while the IUR decreases is if a much higher percentage of the unemployed left their jobs voluntarily or are new or re-entrants to the market, which the CPS indicates is *not* currently the case, or if long-term unemployment becomes a higher percentage of total unemployment and seasonal factors distort the IUR.

A four-percent AIUR trigger should also be adopted for the regular federal-state Extended Benefits (EB) program. Currently, states qualify for that program if their IURs average at least 5.0 percent over a 13-week period and are at least 20 percent higher than the IURs over the same period in either of the past two years. Also, all but 12 states have adopted an optional trigger that allows them to qualify with IURs of at least 6 percent; there is no required increase from the past two years. Eight states have adopted a third trigger: a three-month average TUR of at least 6.5 percent and at least ten percent higher than the TUR for the same months in either of the past two years.

The same logic for changing the TEUC high-unemployment trigger applies to changing the trigger (both the overall unemployment rate and the UI measure of unemployment) for the permanent EB program. The IUR does not include long-term unemployment, and the natural rate of unemployment is lower now than when the trigger level was established. There are two additional reasons for adopting a four-percent AIUR trigger for the permanent EB program:

- Adopting a more appropriate trigger would mean that states could qualify for extra weeks of benefits earlier in the recession. If the trigger is set too high, in contrast, workers must rely on temporary emergency programs created by a political process, which can be slow. Allowing states to “trigger on” based on their AIURs might get benefits to workers — and a stimulus into the economy — sooner.
- A more appropriate EB trigger would probably reduce federal expenditures. If states with high unemployment (as measured realistically under an improved trigger) qualify for the regular EB program, temporary emergency programs might be needed for a shorter period of time — or not at all. Since EB benefits (unlike temporary emergency program benefits) are paid only in states with high unemployment, the cost to the federal government would potentially be lower.

## The Natural Rate of Unemployment Has Changed Over Time

Unemployment is a measure of the performance of a market — the labor market — and therefore the unemployment rate will never rest at zero. Buyers of labor services (employers) and sellers of labor services (unemployed individuals) are constantly searching for the optimal match. Buyers and sellers eventually will converge at an equilibrium point, which can be considered the rate of full employment for an economy for a specific period of time.

Historically, economists found a clear negative relationship between inflation and unemployment (lower unemployment led to higher wages, higher prices, and higher inflation), meaning that countries could, in effect, choose an unemployment rate according to the level of inflation that could be tolerated. In the 1960s, however, economists began to question the clear trade-off between inflation and unemployment, especially a country's ability to control either rate, arguing that expectations of workers and firms would eventually adjust to market conditions, offsetting any effort to manipulate either rate. A new theory emerged, which held that an unemployment rate could not be sustained below a certain level called the "natural rate of unemployment." In the early 1990s, economists assumed this rate to be about six percent, and legislative UI benefit "triggers" for the states were set accordingly.

During the recent economic expansion, however, unemployment rates fell significantly below six percent — all the way to 3.9 percent. This has led economists to reevaluate their ability to predict and measure the natural rate of unemployment and to consider how economic, social, and technological trends have affected unemployment over time. For example, unemployment rates rose in the 1960s and 1970s in part because of the huge increase in the labor force participation of women, as well as the entry of the first baby boomers into the labor market.<sup>1</sup> Other factors, such as the shift in demand from unskilled to skilled workers, advances in technology, the increased use of temporary workers, added market efficiency gained through the use of the internet for job searches and postings, and the recent increase in the labor force participation of single mothers, have also played important roles.

In light of these measurement difficulties, there are multiple reasons to assume that the rate of full employment now is considerably lower than when various UI trigger levels were set. For example, the enormous increase in the nation's prison population has removed many lower-skilled, less-educated males of working age from the labor force, causing a decline in measured unemployment. In addition, some economists have recently argued that the increase in the disability rolls (which rose by 2.2 million between 1990 and 2000) has reduced measured unemployment by 0.5 percent.<sup>2</sup>

The natural rate of unemployment will change over time due to demographics, the strengths and weaknesses of the safety net, and other economic forces, and thus cannot be measured precisely. It is likely, however, to be significantly below the level of six percent often assumed a decade ago.

<sup>1</sup>Paul O. Flaim, "Population Changes, the Baby Boom, and the Unemployment Rate," *Monthly Labor Review*, August 1990, Vol. 113, No. 8.

<sup>2</sup>David H. Autor and Mark G. Duggan, "The Rise in the Disability Rolls and the Decline in Unemployment," *Quarterly Journal of Economics*, February 2003 (forthcoming) and Chinhui Juhn, Kevin M. Murphy, and Robert Topel, *Current Unemployment, Historically Contemplated*, Brookings Panel on Economic Activity, April 2002.

### *Other Changes*

The TEUC program has a dual purpose: to provide additional assistance to unemployed workers whose spells of unemployment are lengthened by recessionary conditions and to provide targeted economic stimulus. Peter Orszag, a senior fellow in Economic Studies at the Brookings Institution, says that temporary extended UI benefits provide "high 'bang for the buck' in terms

of economic stimulus.”<sup>13</sup> This is because such benefits are spent quickly. As Nobel Prize economist Joseph Stiglitz wrote in the *Washington Post*, “give money to people who have lost their jobs in this recession, and it would be quickly spent.”<sup>14</sup> They are also well-targeted: they go to communities where economic need (as measured by unemployment) is highest. A 1999 Department of Labor study found that in past recessions, each dollar of UI benefits probably increased the GDP by \$2.15.<sup>15</sup>

Both the stimulative effect of the TEUC program and the relief provided to unemployed workers could be increased by increasing benefit amounts and by paying benefits to two groups of workers who currently do not qualify: those seeking part-time work and those who do not have sufficient earnings in the regular base period but would qualify if the alternate base period were used.<sup>16</sup> A good step in this direction is the proposal to allow workers to collect TEUC benefits if they would have qualified for regular state UI benefits had their most recent wages been included in their base periods or had they not been disqualified for seeking only part-time employment. States should also study the interaction of their UI programs and their Temporary Aid to Need Families (TANF) programs to make sure that UI policies interact properly with the work-based TANF system. Such studies might prompt states to cover part-time workers or to adopt the alternate base period even if federal law does not mandate or encourage these changes.

### **Number of TEUC Exhaustions Indicates the Program Must be Strengthened**

Exhaustion data from the Temporary Extended Unemployment Compensation (TEUC) program confirm that the program should be strengthened. During the first five months of the TEUC program (March-July 2002) it assisted some 2.8 million workers. However, according to Labor Department data, around 900,000 of these workers exhausted their benefits by the end of July without finding work. (Some of these workers have found jobs since then, but given the weakness of the labor market, it is very likely that many still lack jobs.)

In August and September of this year alone, a Center on Budget and Policy Priorities analysis projects another 600,000 workers will exhaust their TEUC benefits, lifting the number of exhaustees to 1.5 million.<sup>17</sup> By the end of 2002, a projected 2.2 million workers will exhaust their TEUC benefits without securing employment.

Table 3 shows the cumulative number of workers who have exhausted their federal UI benefits in each state at the end of July. New York had the largest number of exhaustees (111,000), followed by Texas (78,000), Florida (62,000), Pennsylvania (58,000), and Illinois

---

<sup>13</sup> Orszag, Peter. “Unemployment Insurance as Economic Stimulus.” Center on Budget and Policy Priorities, November 15, 2001.

<sup>14</sup> Joseph Stiglitz, “A Boost That Goes Nowhere,” *The Washington Post*, November 11, 2001, page B01.

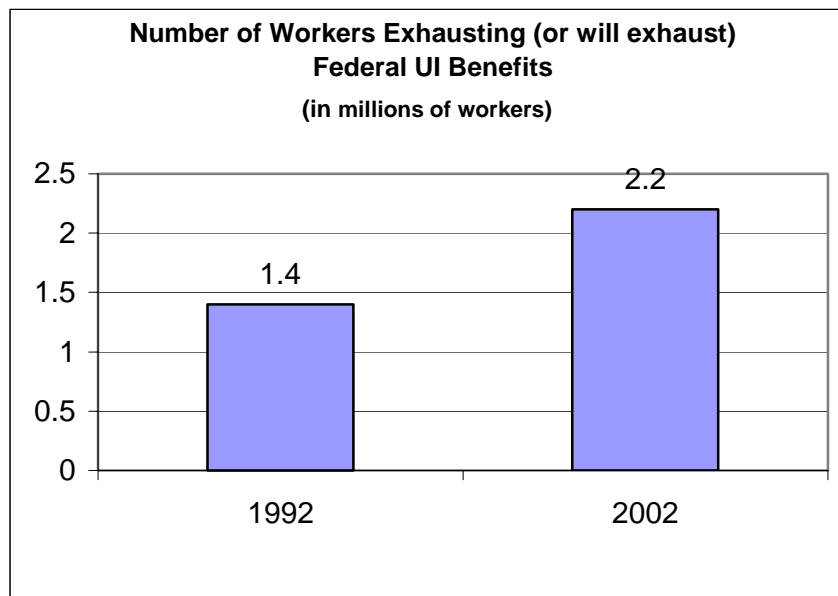
<sup>15</sup> Lawrence Chimerine, Theodore Black, and Lester Coffey, “Unemployment Insurance as an Automatic Stabilizer: Evidence of Effectiveness over Three Decades,” Unemployment Insurance Occasional Paper 99-8, U.S. Department of Labor, July 1999.

<sup>16</sup> Jessica Goldberg and Wendell Primus. “The Importance of Using Most Recent Wages to Determine Unemployment Insurance Eligibility and Duration of Benefits.” Center on Budget and Policy Priorities, June 26, 2002.

<sup>17</sup> Primus, Wendell and Jessica Goldberg. “Number of Workers Exhausting Federal Unemployment Insurance Benefits Will Reach an Estimated 1.5 Million by the End of September and Exceed Levels in the Last Recession.” Center on Budget and Policy Priorities, September 6, 2002.

(58,000). Because California and New Jersey met the high-unemployment test and were eligible for another 13 weeks of UI benefits until early July, many fewer workers had exhausted UI benefits in those large states. On average, the number of unemployed workers exhausting their benefits in each state is projected to increase by about two thirds by the end of September and to more than double by the end of the year.

By the end of October 2002, more people will have exhausted their TEUC benefits than exhausted EUC benefits in all of 1992. In the initial twelve and a half months of the EUC program, 1.4 million workers exhausted their benefits before finding work. Under the current TEUC program, which took effect in mid-March, a total of 2.2 million workers are projected to exhaust their benefits in calendar year 2002.<sup>18</sup>



Over 60 percent of those receiving TEUC benefits are currently exhausting these benefits. By comparison, about 45 percent of EUC beneficiaries exhausted their EUC benefits in 1992.<sup>19</sup> A higher rate of workers is exhausting benefits today primarily because fewer weeks of benefits are available today than in 1992: unemployed workers have less time now than they did

---

<sup>18</sup> The first 12.5 months of EUC are compared to the first 9.5 months for TEUC. The reason for this difference in months is that on average, about 15 more weeks of benefits were provided under the EUC program in the first half of 1992 than under the TEUC program, and on average eight more weeks in the second half. To make a valid comparison between 1992 and 2002, a three-month difference in the number of months for which exhaustions are accumulated was used. Mechanically, one needs to compare exhaustions over a longer time period for a program that provides 26 weeks versus 13 weeks. Essentially, there are fewer exhaustions in the first six months of a 26-week program as compared to the first six months of a 13-week program.

<sup>19</sup> Of the 4.6 million workers who received EUC benefits in the first 12.5 months, some 3.1 million could have exhausted benefits in that period. (Some could not exhaust their benefits in that period because the benefits lasted into the subsequent period.) Some 1.4 million — slightly less than half — actually exhausted benefits. The other 1.7 million found a job before their benefits were scheduled to run out. Of the 4.4 million workers projected to receive benefits in 2002 under the TEUC program, 3.5 million potentially could have exhausted these benefits by the end of 2002, and 2.2 million of them are projected to exhaust these benefits.



in the previous downturn to find work before their benefits terminate. The higher rate might also signal a labor market in which it is more difficult to find a job.

The graph above illustrates the number of workers exhausting benefits for comparable periods of time. The 2002 total is a projection based upon the reported data for the TEUC program to date. Exhaustions are higher today than in 1992 for two reasons. The exhaustion rate, as explained above, is higher currently than during the EUC program, as is the number of unemployed individuals that could potentially exhaust benefits. In addition, the stock of exhaustions when the program began was somewhat greater in 2002 than in 1992.

## **Conclusion**

It is necessary to extend the expiration date of the TEUC program beyond the end of calendar year 2002. Economic conditions and the unemployment situation have not improved since the program was enacted in March, and the Total Unemployment Rate is expected to remain above its March level until after the TEUC program is currently set to expire. Typically, unemployment rates remain high even after a recession has ended. In the last recession, the TUR peaked in June 1992, 15 months after the recession had officially ended. The unemployment rate did not decline to its level at the beginning of that recession until December 1994, three years and nine months after the recession ended. The current unemployment situation is not likely to improve until the middle of 2003, according to CBO, and therefore the TEUC program should be continued.

There is historical precedent for both extending the expiration date of the TEUC program and increasing the number of weeks of benefits provided. Analysis of the changes in the Adjusted Insured Unemployment Rate, the Insured Unemployment Rate, and the numbers of people exhausting their regular state UI benefits shows that this recession is similar to or exceeds the recession of the early 1990s, when more than 13 weeks of additional, federally financed benefits were always available in all states, and when such benefits were available for more than three times as long as the 9.5 months provided under the current TEUC program. Also, there is justification for expanding TEUC coverage to include workers who may have fewer than 20 weeks of wage history or who would have qualified for regular UI benefits if their most recent wages were included in their base period or if they were not disqualified because they were seeking part-time employment.

## Appendix: A Brief Discussion of Unemployment Measures Used in This Testimony

The most commonly used unemployment statistics are those announced each month by the Bureau of Labor Statistics based upon a sample of approximately 60,000 households. The sample does not collect enough information in each state to measure accurately changes in unemployment or long-term unemployment. And because the survey depends upon household responses, the data may contain reporting errors. Despite these problems, these data are an important and provide a consistent set of longitudinal data about employment and unemployment.

Another source of unemployment statistics is the Unemployment Insurance system itself. Administrative data from the UI system are not based upon a sample, so accurate information on the unemployment situation in each state can be garnered (only regarding the unemployed who are actually receiving benefits), and they are administrative data, which avoids some of the difficulties with the household survey. Furthermore, certain UI data can provide a good measure of long-term unemployment. The three forms of unemployment data used in this paper are described in more detail below.

The **Total Unemployment Rate (TUR)** measures the number of people who are unemployed as a percentage of the total labor force. The TUR is based on Current Population Survey sample data from the Bureau of Labor Statistics and includes people who are entering the labor market for the first time or returning after a long absence, people who may have left their jobs voluntarily, and people who lost their jobs.

The **Insured Unemployment Rate (IUR)** is based on administrative data reported by the states to the Department of Labor and measures the number of people receiving regular state UI benefits as a percentage of those who are covered under the UI program.<sup>20</sup> To some extent, the IUR may be thought of as the unemployment rate of workers with a significant labor force attachment because the IUR, unlike the TUR, only includes people who qualify for UI benefits. (That is, they have met certain earnings requirements, have lost their jobs involuntarily, and are looking for new employment.)

However, the IUR is also not a perfect measure of unemployment, even among experienced workers. Because it only includes workers receiving regular state UI benefits, which end after 26 weeks or less, workers who exhaust their regular state UI benefits but are unable to find employment are not counted. Thus, the IUR can decline in states where the unemployment situation is actually worsening because durations of unemployment are increasing.

Also, the IUR includes only unemployed workers receiving regular state UI benefits. Some workers who are experienced — such as workers employed for a considerable number of years in part-time jobs — do not receive UI benefits because of eligibility restrictions. Further, UI eligibility varies widely among the states. Some states do not include the most recently

---

<sup>20</sup> The “covered labor force” is all employees for whom UI taxes are paid. The UI system covers 97 percent of all wage and salary workers.

completed quarter of wages in the base period, so recently hired workers in those states may not qualify for benefits in those states.

Another weakness of the IUR is that although unemployment is a seasonal phenomenon, BLS seasonally adjusts only the national IUR, not state data. Rates are expected to decline in the summer months, and those seasonal declines have compounded the problems with the programmatic trigger levels for states, which do not account for the temporarily deflated rates. Furthermore, the IUR is an administrative definition of unemployment that is not uniform across the state. States have very different eligibility rules, which can also change over time.

The **Adjusted Insured Unemployment Rate (AIUR)** is the number of workers receiving regular state UI benefits plus the number of workers who have exhausted regular UI benefits in the previous three months divided by the number of workers who are eligible for UI benefits. It measures short- and long-term unemployment among experienced workers.

Seasonally adjusted state-level data on insured unemployment are not available and neither state nor national exhaustion data are seasonally adjusted. Therefore, AIUR comparisons in this paper were made using the same months in the years being compared. Since the period of February-July 1992 was the peak of the last recession, this paper uses February-July 2002 as a basis for comparison. If February-July 2002 is not the peak of the current recession, the extent to which changes in exhaustions, the IUR, and the AIUR during this recession exceed those of the last recession would be even greater.

**Table 1. Increases in the AIUR Are Greater in 36 States in this Recession Compared to the Previous Recession**

	<b>1992</b>	<b>2002</b>	<b>Change (1990-1992)</b>	<b>Change (2000-2002)</b>
Alabama	3.2%	3.0%	0.4%	1.0%
Alaska	8.3%	6.3%	1.7%	0.6%
Arizona	3.3%	2.5%	1.0%	1.0%
Arkansas	4.4%	4.1%	1.0%	1.4%
California	5.6%	4.6%	2.1%	1.7%
Colorado	2.3%	2.5%	0.4%	1.6%
Connecticut	5.1%	4.0%	1.7%	1.9%
Delaware	2.7%	2.7%	1.2%	1.0%
District of Columbia	3.7%	2.9%	1.3%	1.1%
Florida	3.5%	2.5%	1.6%	1.1%
Georgia	2.7%	2.6%	0.7%	1.4%
Hawaii	2.7%	2.9%	1.4%	0.9%
Idaho	4.4%	3.6%	0.7%	1.3%
Illinois	3.7%	3.9%	1.0%	1.9%
Indiana	2.0%	2.8%	0.6%	1.5%
Iowa	2.4%	2.5%	0.6%	1.1%
Kansas	2.8%	2.7%	0.6%	1.3%
Kentucky	2.7%	2.9%	0.3%	1.1%
Louisiana	3.4%	2.5%	1.0%	0.7%
Maine	4.9%	2.4%	1.3%	0.7%
Maryland	3.6%	2.6%	1.5%	1.1%
Massachusetts	4.8%	4.4%	0.2%	2.1%
Michigan	4.2%	4.4%	0.8%	2.0%
Minnesota	2.4%	2.8%	0.2%	1.5%
Mississippi	4.0%	3.4%	0.8%	1.1%
Missouri	3.7%	3.3%	0.9%	1.3%
Montana	3.6%	2.8%	0.6%	0.6%
Nebraska	1.6%	1.9%	0.4%	0.9%
Nevada	4.2%	3.9%	1.8%	1.5%
New Hampshire	2.2%	1.9%	0.1%	1.3%
New Jersey	5.5%	4.8%	1.8%	1.8%
New Mexico	3.1%	2.7%	0.7%	1.0%
New York	4.8%	4.0%	1.5%	1.8%
North Carolina	2.4%	3.6%	0.5%	2.0%
North Dakota	2.3%	1.6%	0.3%	0.2%
Ohio	3.1%	2.8%	0.9%	1.3%
Oklahoma	2.7%	2.3%	0.7%	1.1%
Oregon	4.9%	5.1%	1.5%	2.1%
Pennsylvania	4.8%	4.6%	1.5%	1.8%
Rhode Island	6.9%	4.3%	1.2%	0.8%
South Carolina	3.3%	3.5%	1.2%	1.7%
South Dakota	0.9%	0.9%	0.2%	0.4%
Tennessee	3.3%	3.2%	0.1%	1.0%
Texas	3.0%	3.2%	0.9%	1.5%
Utah	1.8%	2.6%	0.4%	1.4%
Vermont	4.2%	3.0%	1.1%	1.4%
Virginia	1.5%	1.6%	0.5%	0.9%
Washington	4.6%	5.0%	1.3%	2.0%
West Virginia	4.2%	3.0%	1.3%	0.8%
Wisconsin	2.9%	3.9%	0.5%	1.9%
Wyoming	2.3%	1.7%	0.8%	0.4%
<b>Total</b>	<b>3.9%</b>	<b>3.6%</b>	<b>1.1%</b>	<b>1.5%</b>

Note: The AIUR is the number of workers receiving regular state UI benefits plus the number who have exhausted regular UI benefits in the previous three months divided by covered employment. AIUR rates shown are three-month averages for June-August in the given years.

**Table 2. Comparison of Number and Increase in the Number of Unemployed Workers Exhausting Their Regular UI Benefits in This Recession and the Prior Recession**

	Number of Exhaustions		Increase in Exhaustions	
	February-July 2000	February-July 2002	Between Feb.-Jul. 2000 and Feb.-Jul. 2002	Between Feb.-Jul. 1990 and Feb.-Jul. 1992
Alabama	13,522	24,811	11,289	7,701
Alaska	9,319	11,212	1,893	3,772
Arizona	11,169	23,909	12,740	9,492
Arkansas	11,959	22,346	10,387	9,221
California	196,454	331,345	134,891	170,464
Colorado	10,392	32,146	21,754	5,964
Connecticut	12,464	27,274	14,810	18,286
Delaware	2,453	4,714	2,261	2,794
DC	4,141	9,156	5,015	4,376
Florida	38,832	87,680	48,848	60,038
Georgia	19,310	57,284	37,974	26,519
Hawaii	3,661	7,255	3,594	3,426
Idaho	6,747	12,243	5,496	3,830
Illinois	45,547	104,891	59,344	35,402
Indiana	17,938	47,726	29,788	10,526
Iowa	8,148	17,620	9,472	6,684
Kansas	8,415	16,030	7,615	4,236
Kentucky	9,052	20,268	11,216	4,485
Louisiana	10,956	17,572	6,616	6,375
Maine	6,173	7,040	867	8,103
Maryland	13,617	23,983	10,366	14,384
Massachusetts	28,434	70,247	41,813	13,845
Michigan	45,081	92,523	47,442	23,357
Minnesota	14,125	37,228	23,103	5,126
Mississippi	7,812	14,809	6,997	4,533
Missouri	19,004	37,034	18,030	15,198
Montana	4,167	5,936	1,769	1,343
Nebraska	4,066	9,457	5,391	2,248
Nevada	11,006	22,984	11,978	8,588
New Hampshire	211	4,565	4,354	1,437
New Jersey	57,138	103,141	46,003	50,117
New Mexico	4,619	8,176	3,557	2,010
New York	89,381	192,570	103,189	81,812
North Carolina	22,321	70,222	47,901	18,466
North Dakota	2,655	3,599	944	302
Ohio	24,163	62,664	38,501	26,702
Oklahoma	5,686	14,059	8,373	5,465
Oregon	19,188	40,693	21,505	15,194
Pennsylvania	47,826	100,322	52,496	47,276
Puerto Rico	28,871	32,547	3,676	8,844
Rhode Island	6,747	9,710	2,963	6,350
South Carolina	10,941	31,917	20,976	13,320
South Dakota	346	1,004	658	54
Tennessee	22,321	46,642	24,321	12,999
Texas	83,863	192,695	108,832	44,555
Utah	5,979	14,800	8,821	2,865
Vermont	1,226	3,025	1,799	2,135
Virginia	11,562	34,393	22,831	17,184
Virgin Islands	241	444	203	436
Washington	31,062	58,069	27,007	14,979
West Virginia	4,468	6,154	1,686	4,233
Wisconsin	20,212	51,632	31,420	6,505
Wyoming	1,494	1,877	383	935
<b>Total</b>	<b>1,096,485</b>	<b>2,281,643</b>	<b>1,185,158</b>	<b>874,491</b>

Source: U.S. Department of Labor

**Table 3. Cumulative Number of Workers Exhausting TEUC Benefits and the Number of Workers Currently Receiving TEUC Benefits**

	Number of workers who have exhausted TEUC benefits (cumulative through July 31)	Number of workers currently receiving TEUC benefits (in week ending August 3)
Alabama*	10,332	11,324
Alaska	1,943	3,416
Arizona	11,191	7,754
Arkansas	7,307	6,830
California**	37,735	185,811
Colorado	12,733	13,503
Connecticut	13,005	12,405
Delaware	1,801	1,857
District of Columbia*	3,236	1,621
Florida	62,484	38,061
Georgia**	40,518	22,433
Hawaii	3,172	3,164
Idaho	1,984	4,024
Illinois	57,734	46,736
Indiana	21,936	13,095
Iowa	7,895	5,768
Kansas	4,017	6,812
Kentucky	11,743	9,725
Louisiana	9,991	7,095
Maine	2,936	2,466
Maryland	13,686	9,596
Massachusetts	17,132	57,093
Michigan**	39,288	60,495
Minnesota	17,314	12,750
Mississippi	10,841	6,566
Missouri	18,725	13,557
Montana	NA	1,147
Nebraska	NA	2,616
Nevada**	9,740	6,932
New Hampshire	1,391	2,080
New Jersey**	7,080	73,033
New Mexico	2,955	2,350
New York	110,596	66,482
North Carolina	28,905	27,674
North Dakota	1,204	523
Ohio	36,530	32,055
Oklahoma	7,734	6,025
Oregon	650	29,775
Pennsylvania**	58,336	97,864
Rhode Island	4,825	3,163
South Carolina	18,654	13,795
South Dakota	322	435
Tennessee	30,766	17,721
Texas	77,573	48,442
Utah	5,464	4,044
Vermont	1,045	1,133
Virginia	15,706	11,935
Washington	3,992	48,724
West Virginia	3,179	3,162
Wisconsin**	17,033	16,606
Wyoming	848	421
<b>Total</b>	<b>889,578</b>	<b>1,082,094</b>

\*July exhaustion data for these states estimated based upon trends in May and June.

\*\*Original Department of Labor data adjusted based upon conversations with state officials. Generally, our revised data find lower numbers of exhaustions than the original Department data.

Source: Department of Labor. Some data remain preliminary and may be adjusted on the basis of further information from the states.