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## Failure to Extend Emergency Unemployment Benefits Will Hurt Jobless Workers in Every State

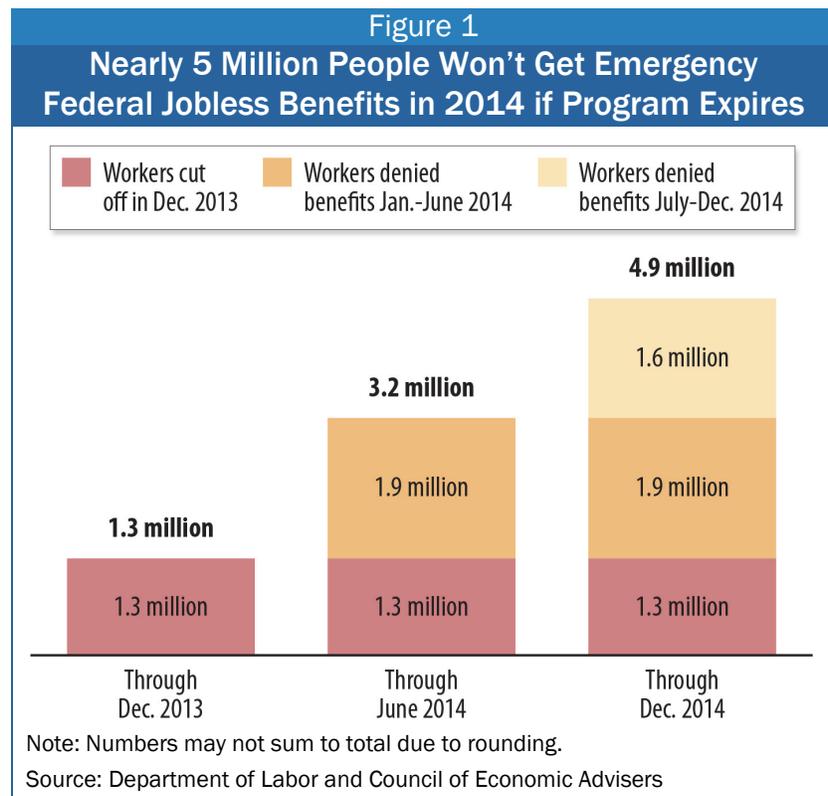
### Nearly 5 Million Expected to Lose Out on Benefits in Next 12 Months

By Chad Stone

A needed extension of federal emergency jobless benefits was absent from this week’s budget agreement, potentially leaving almost 5 million jobless workers in the lurch over the next 12 months, according to Department of Labor estimates.<sup>1</sup> Failure to extend the Emergency Unemployment Compensation (EUC) program would affect jobless workers in every state.

As Figure 1<sup>2</sup> shows:

- An estimated 1.3 million jobless workers now receiving EUC will receive no benefits after Christmas week if the program expires as scheduled.



<sup>1</sup> The Council of Economic Advisers and the Department of Labor, “The Economic Benefits of Extending Unemployment Insurance,” December 2013, Figure 7, p. 18, <http://www.whitehouse.gov/sites/default/files/docs/uireport-2013-12-4.pdf>.

<sup>2</sup> Adapted from the Council of Economic Advisers and Department of Labor report.

- An estimated 1.9 million people receiving regular state unemployment insurance (UI) payments, which typically run for a maximum of six months, will exhaust them in the first half of 2014 before they can find a job. If EUC expires, these workers will receive no further benefits.
- An estimated 1.6 million people who lose their jobs in the first half of 2014 will exhaust their regular state UI in the second half of the year before they can find a job. If EUC expires, these workers will receive no further benefits.

In all, an estimated 4.9 million workers would lose out on EUC benefits by the end of 2014.

Emergency federal UI programs like EUC are designed to phase down as the labor market improves and eventually expire. The phasing down is underway — the maximum number of weeks of EUC plus regular UI has fallen from 99 to 73, and that maximum is available in only a handful of states — but it is too soon to let the program expire.

While the unemployment rate has fallen from its recession peak to 7.0 percent, this measure alone provides too optimistic a picture of the overall health of the labor market:<sup>3</sup>

- The share of the population with a job, which plunged in the recession to levels last seen in the 1980s, has changed little in the ensuing four years. The recession drove many people out of the labor force, and lack of job opportunities in the ongoing jobs slump has kept many potential jobseekers on the sidelines. Many of these people would like to work and, in a stronger labor market, they would likely have a job or at least be looking, but they are not looking actively enough to be counted as officially unemployed. Their absence from the ranks of the officially unemployed keeps the unemployment rate lower than it otherwise would be.
- Long-term unemployment remains a significant concern. Nearly two-fifths (37.3 percent) of the 10.9 million people who are unemployed — 4.1 million people — have been looking for work for 27 weeks or longer. These long-term unemployed represent 2.6 percent of the labor force. At 2.6 percent, the long-term unemployment rate is at least *twice as high* as when any of the emergency federal UI programs that policymakers enacted in each of the previous seven major recessions expired.

Table 1 shows the Department of Labor's estimates of the number of people in each state that would be affected over the next 12 months if EUC is allowed to expire. In 11 states, more than 100,000 people would lose access to benefits.

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<sup>3</sup> Chad Stone, "On Emergency Jobless Benefits, Don't Be Fooled by November's Drop in Unemployment," *Off the Charts blog*, Center on Budget and Policy Priorities, December 10, 2013, <http://www.offthechartsblog.org/on-emergency-jobless-benefits-dont-be-fooled-by-novembers-drop-in-unemployment/>.

Table 1

**People Losing Access to Emergency Unemployment Compensation  
Through December 2014 if Program Expires as Scheduled**

State	Unemployed losing access to benefits	State	Unemployed losing access to benefits
Alabama	48,100	Nebraska	16,700
Alaska	23,300	Nevada	60,300
Arizona	67,000	New Hampshire	8,500
Arkansas	40,300	New Jersey	260,100
California	836,100	New Mexico	25,500
Colorado	72,800	New York	383,000
Connecticut	85,100	North Carolina	0*
Delaware	13,800	North Dakota	7,900
District of Columbia	18,200	Ohio	128,600
Florida	260,400	Oklahoma	33,000
Georgia	164,700	Oregon	76,100
Hawaii	13,300	Pennsylvania	262,500
Idaho	20,300	Puerto Rico	80,200
Illinois	230,500	Rhode Island	21,700
Indiana	69,300	South Carolina	52,400
Iowa	35,500	South Dakota	1,600
Kansas	35,300	Tennessee	79,000
Kentucky	53,200	Texas	285,200
Louisiana	30,400	Utah	20,200
Maine	18,100	Vermont	5,100
Maryland	82,600	Virgin Islands	3,500
Massachusetts	141,000	Virginia	69,900
Michigan	189,700	Washington	94,100
Minnesota	65,500	West Virginia	24,700
Mississippi	37,600	Wisconsin	99,000
Missouri	84,500	Wyoming	6,700
Montana	14,300		

\*Emergency Unemployment Compensation is not available in North Carolina because earlier this year, the state cut weekly UI benefit levels in violation of federal rules that require states that accept emergency federal benefits to maintain their benefit levels.

Source: Department of Labor and Council of Economic Advisers