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CBPP STATEMENT
Special Series: Economic Recovery Watch

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STATEMENT BY CHAD STONE, CHIEF ECONOMIST, AS THE SENATE NEARS APPROVAL OF UNEMPLOYMENT INSURANCE

The Senate's move today toward extending the Recovery Act's extra weeks of jobless benefits for the long-term unemployed will provide much-needed help to almost 3 million unemployed workers and a boost to the economy, since those workers will spend their benefits quickly to cover household expenses.

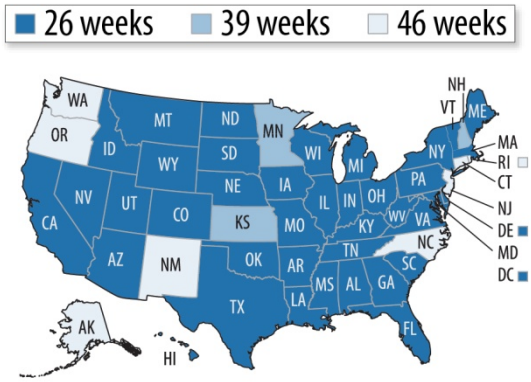
These extended unemployment benefits will have a significant impact on jobless workers all across the country, as the maps show.

Congress should now take two other long-overdue steps to help the economy: extend the Recovery Act's state fiscal assistance and the small but highly cost-effective TANF Emergency Fund, which together are helping create hundreds of thousands of jobs.

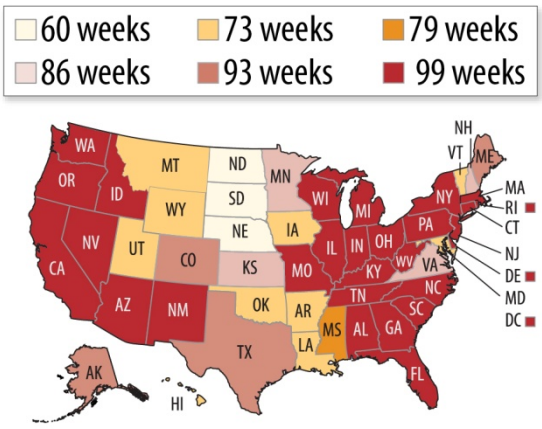
States are continuing to lay off workers and cut spending to offset weak revenues, and these steps are impeding the economic recovery. By extending state fiscal assistance, which will largely run out by December 31, Congress can help states balance their budgets with fewer job-killing spending cuts.

Maximum Duration of Unemployment Insurance by State

Before extension of UI provisions ...



... After extension of UI provisions



Data last updated July 18.
Source: CBPP analysis of Department of Labor Employment and Training Administration data.

Congress also should extend the TANF Emergency Fund, which 36 states and the District of Columbia are using to help create subsidized jobs in the private and public sectors. States estimate they will have placed about 240,000 people in these jobs by the time the fund expires on September 30, but many states plan to start shutting down their programs in the next month unless Congress extends the fund.

Let's hope today's vote is a harbinger of speedy action on these two pressing issues.