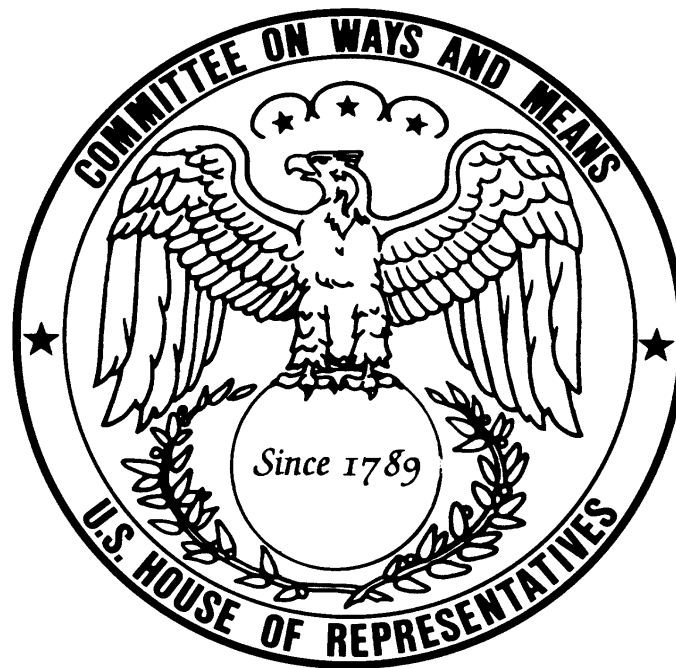


Committee on Ways and Means

Unemployment Extension
Briefing Materials
June 9, 2008



Charles B. Rangel
Chairman

Prepared by the Democratic Staff of the Committee on Ways and Means

Reasons to Extend Unemployment Benefits

- For five consecutive months, the U.S. economy has lost jobs. In total, 324,000 jobs have disappeared.
- The unemployment rate had its biggest one-month increase in over 20 years in May.
- Over the last 12 months, the number of unemployed workers has grown by 1.6 million (reaching a total of 8.5 million).
- 1.5 million workers are *long-term* unemployed, meaning they have been jobless for over six months.
- This means there are over 200,000 *more* long-term jobless Americans now than when President Bush signed the last extension of unemployment benefits into law in 2002.
- There are over 100 metropolitan areas located in every region of the country with unemployment rates of six percent or higher.
- Rising gas and food prices are making it even harder for unemployed workers to make ends meet.
- The Congressional Budget Office (CBO) says that extending unemployment benefits is one of the most cost-effective and fastest-acting forms of economic stimulus because the money is spent quickly.
- Congress has enacted federally-funded extended unemployment benefit programs on seven different occasions over the last fifty years in response to economic weakness (1958, 1961, 1972, 1975, 1982, 1991, and 2002).

The Emergency Extended Unemployment Compensation Act (HR 5749)

- The bipartisan bill was introduced by Representative Jim McDermott and Phil English and favorably reported by the Committee on Ways and Means on April 16.
- Upon enactment, the legislation would provide up to 13 weeks of extended unemployment benefits in *every State* to workers exhausting regular unemployment compensation.
- In States with higher levels of unemployment, an additional 13 weeks would be available (high unemployment is defined as a seasonally-adjusted six percent total unemployment rate or a four percent insured unemployment rate).
- The weekly benefit amount provided by the program would equal the amount received under regular unemployment compensation. (The average unemployment benefit provides \$290 a week.)
- An individual's benefit year for regular compensation must have ended on or after May 1, 2007 in order to be eligible for benefits.
- The extended benefits program would be in effect through March 2009 (any individual receiving extended benefits before the program terminates would receive their entire 13 weeks).
- All benefits would be paid out of the federal unemployment trust funds (which now have over \$35 billion in reserves).
- This structure is very similar to the Temporary Extended Unemployment Compensation (TEUC) program established in 2002 in response to the last recession.
- The Congressional Budget Office (CBO) estimates this bill would provide benefits to 3.8 million unemployed workers.

Estimated Number of Workers Eligible for Extended Unemployment Benefits Under HR 5749

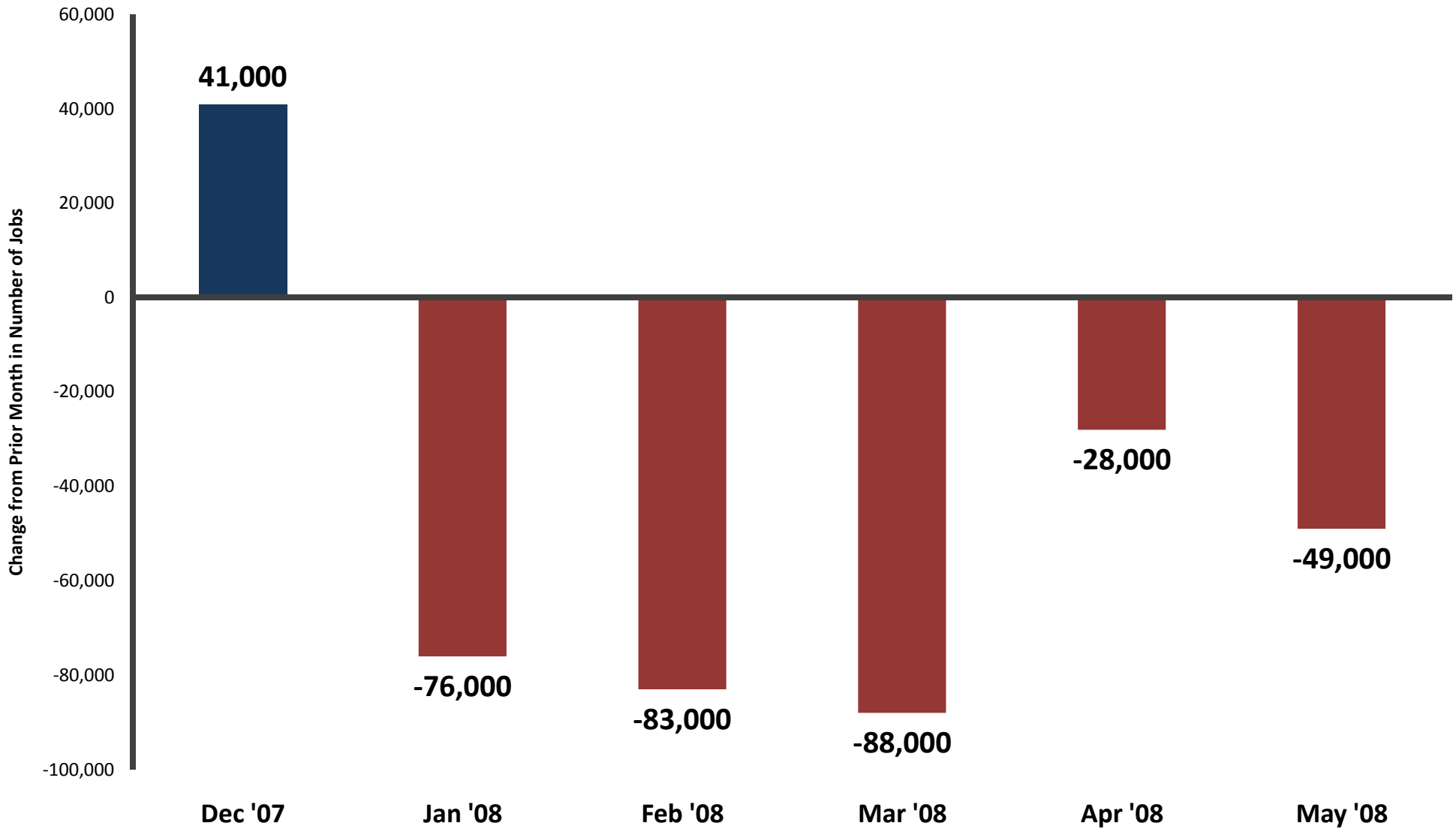
State	Projected Workers Exhausting Regular UI from May 2008 through March 2009	Estimated Workers Who Have Already Exhausted UI since November 2006 and Remain Unemployed	Total Potential Beneficiaries of Extended Benefits
Alabama	30,280	11,422	41,702
Alaska	14,551	6,324	20,875
Arizona	44,029	12,878	56,907
Arkansas	30,919	12,096	43,015
California	521,969	179,565	701,534
Colorado	32,322	11,797	44,119
Connecticut	41,728	15,650	57,378
DC	9,089	3,749	12,838
Delaware	10,291	3,212	13,503
Florida	181,723	55,428	237,151
Georgia	90,881	32,021	122,902
Hawaii	6,452	2,159	8,611
Idaho	14,288	5,032	19,320
Illinois	138,993	50,278	189,271
Indiana	82,783	31,636	114,419
Iowa	23,268	9,426	32,694
Kansas	20,029	7,196	27,225
Kentucky	25,690	9,872	35,562
Louisiana	25,319	8,870	34,189
Maine	10,588	4,278	14,866
Maryland	36,433	13,090	49,523
Massachusetts	85,565	31,437	117,002
Michigan	162,172	64,418	226,590
Minnesota	50,042	19,945	69,987
Mississippi	19,597	7,020	26,617
Missouri	45,292	17,179	62,471
Montana	7,462	2,947	10,409
Nebraska	15,281	5,889	21,170
Nevada	36,714	11,159	47,873
New Hampshire	5,336	1,790	7,126
New Jersey	153,110	57,157	210,267
New Mexico	14,280	5,026	19,306
New York	191,547	67,668	259,215

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State	Projected Workers Exhausting Regular UI from May 2008 through March 2009	Estimated Workers Who Have Already Exhausted UI since November 2006 and Remain Unemployed	Total Potential Beneficiaries of Extended Benefits
North Carolina	111,700	41,326	153,026
North Dakota	4,099	2,053	6,152
Ohio	86,729	31,362	118,091
Oklahoma	16,452	6,471	22,923
Oregon	47,851	16,308	64,159
Pennsylvania	148,120	54,556	202,676
Rhode Island	17,885	6,532	24,417
South Carolina	47,963	17,944	65,907
South Dakota	831	354	1,185
Tennessee	55,954	20,795	76,749
Texas	115,215	45,024	160,239
Utah	9,466	3,284	12,750
Vermont	4,681	1,689	6,370
Virginia	39,853	15,183	55,036
Washington	39,071	14,434	53,505
West Virginia	10,629	4,016	14,645
Wisconsin	75,578	28,533	104,111
Wyoming	2,987	1,168	4,155
Total	3,013,087	1,088,648	4,101,735

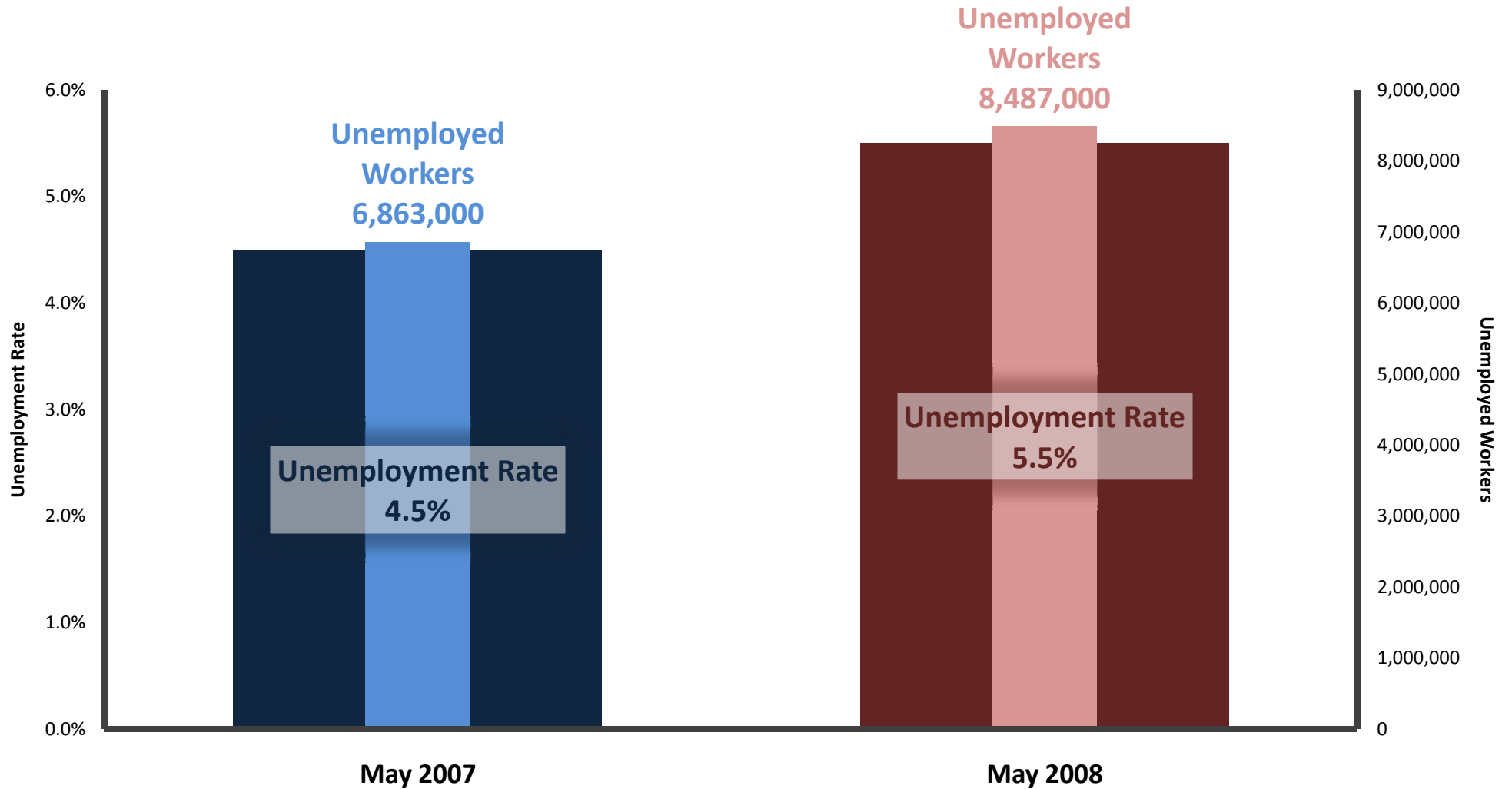
Source: National Employment Law Project, based on data from the Department of Labor

Change in Total US Employment over Last Six Months



Source: Seasonally adjusted nonfarm data from the Bureau of Labor Statistics. Prepared by the Staff of the Committee on Ways and Means, 9 June 2008.

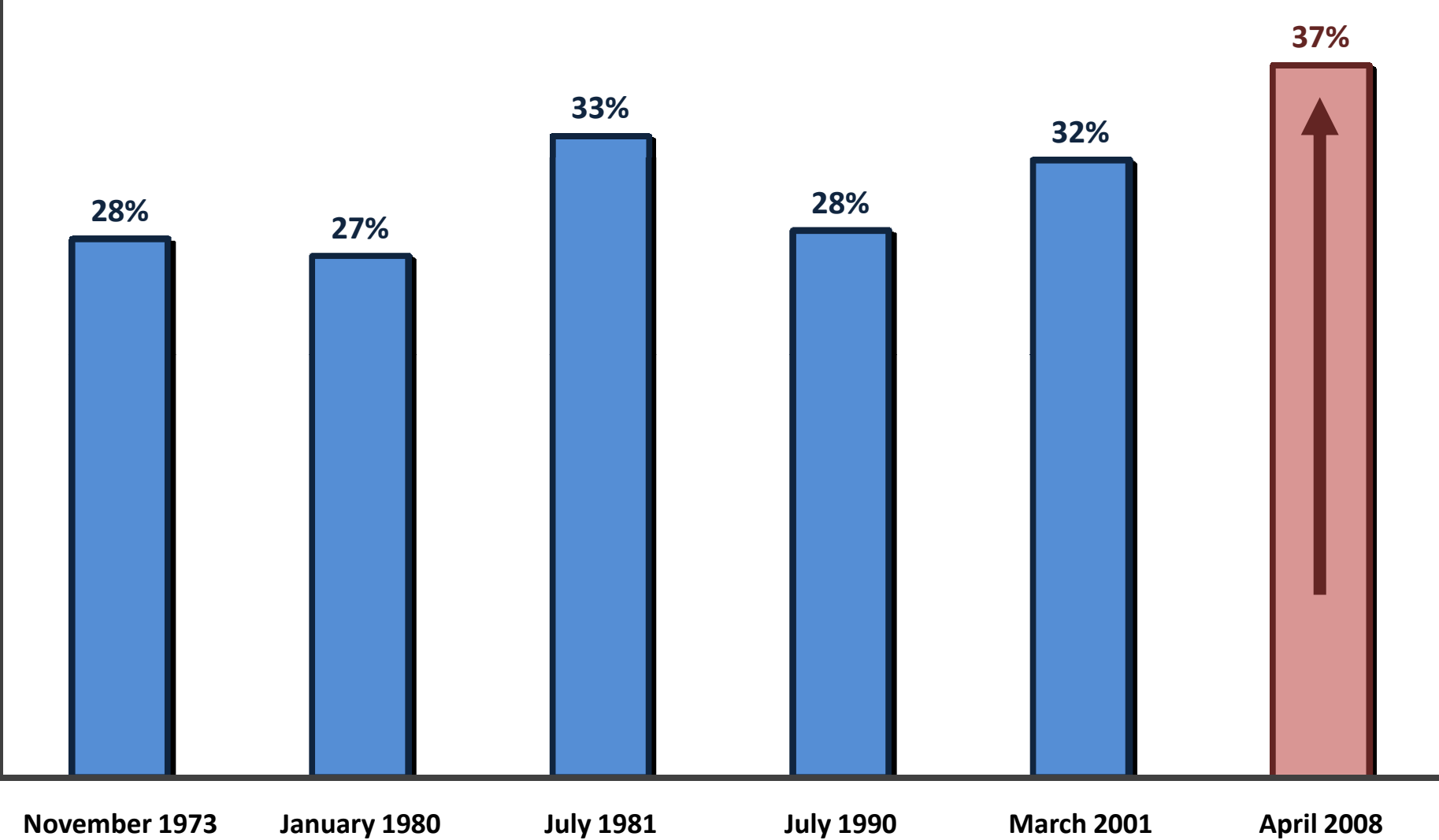
Unemployment Rate and Number of Unemployed Workers Up over 20% in One Year



Source: Seasonally adjusted data from the Bureau of Labor Statistics. Prepared by the Staff of the Committee on Ways and Means, 6 June 2008.

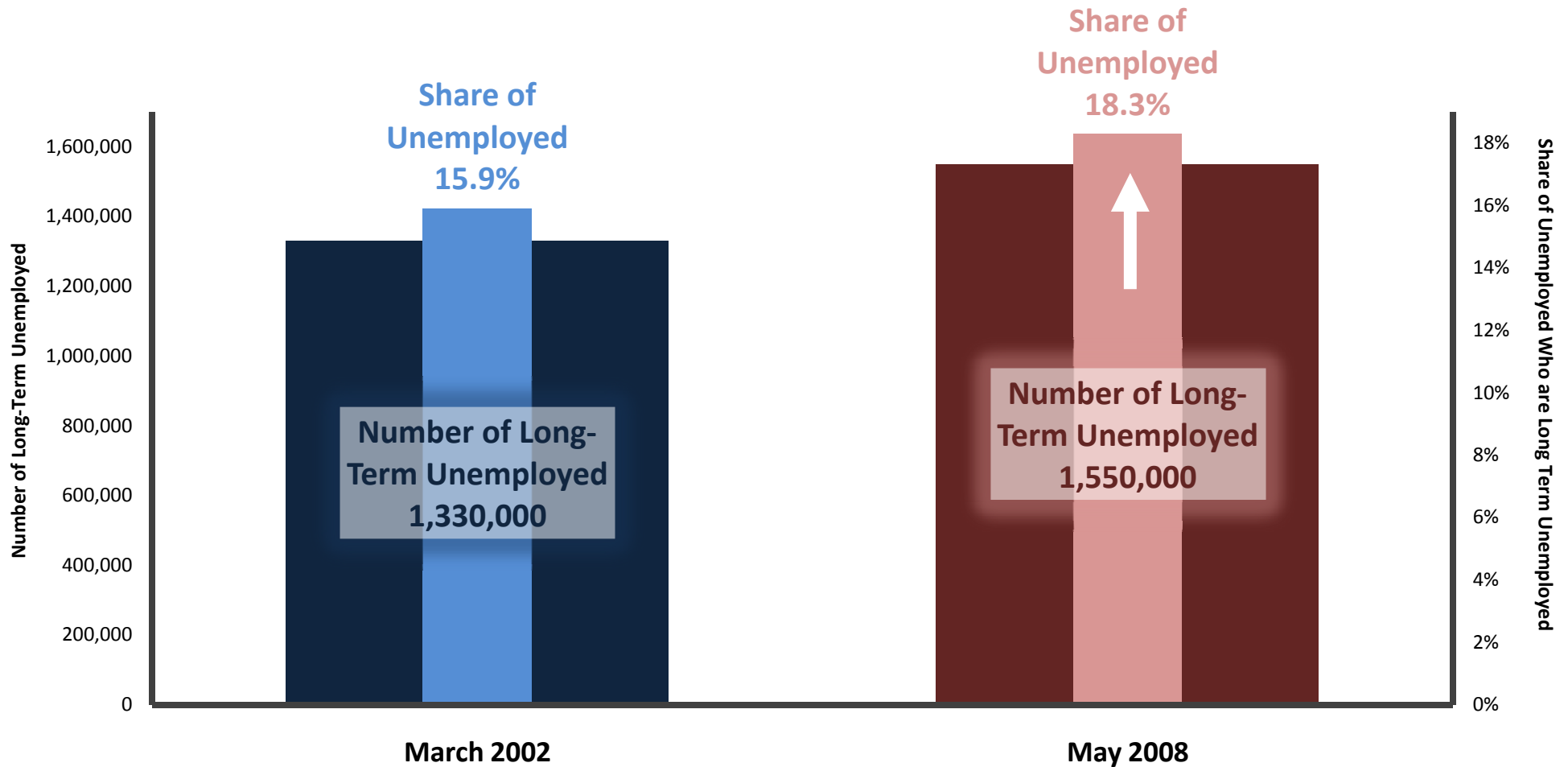
UI Exhaustion Rates Higher Now than at Start of Prior Recessions

Regular State Final Payments as a Percent of First Payments



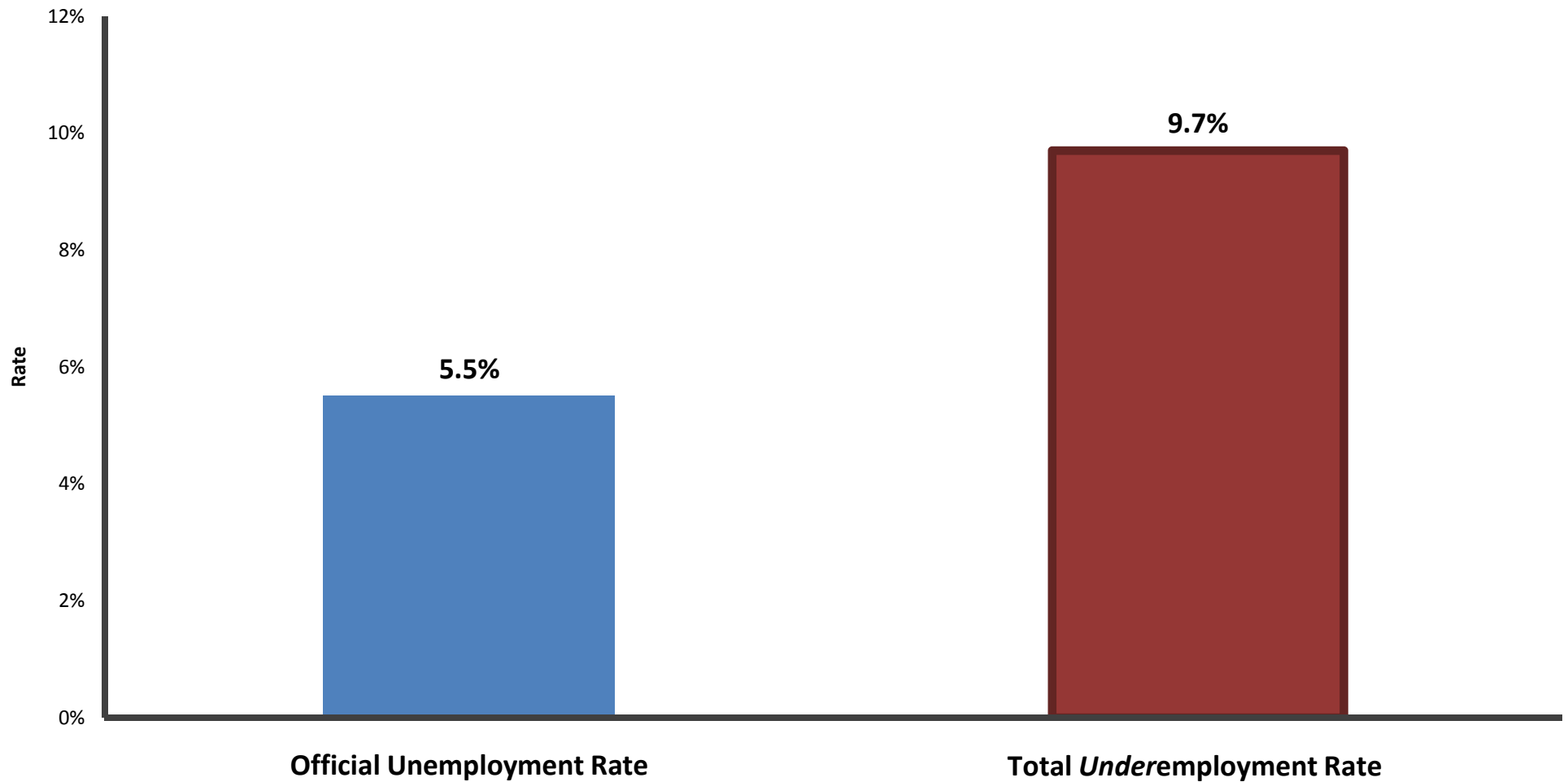
Source: Department of Labor. Prepared by the Staff of the Committee on Ways and Means, 6 June 2008.

Long-Term Unemployment Worse Now Than When President Bush Signed Last Extension of Unemployment Benefits



Source: Seasonally adjusted data from Bureau of Labor Statistics on workers unemployed for 27 weeks or more. Prepared by the Staff of the Committee on Ways and Means, 9 June 2008.

Labor Market Distress: Worse Than Indicated by Official Unemployment Rate



Source: Seasonally adjusted May data from the Bureau of Labor Statistics. Underemployed workers are forced to work part-time for economic reasons or are jobless, available to work and have looked for work in the recent past but have given up their search for employment. Prepared by the Staff of the Committee on Ways and Means, 9 June 2008.