

The Unemployment Emergency Continues for Women and Their Families – But Emergency Unemployment Compensation Is About to Expire

(October 2010)

Though the recession that began in December 2007 technically ended in June 2009,¹ jobs data released for September 2010 by the Bureau of Labor Statistics reveal that the pain continues for millions of jobless workers and their families. The overall unemployment rate remained at 9.6 percent, and unemployment rates among single mothers and Black and Hispanic women were even higher.² Women accounted for two-thirds of all the jobs lost in September, as cuts in public employment exceeded modest job gains in private sector employment. There are few signs that the unemployment rate will drop significantly any time soon – but the emergency unemployment compensation benefits program is set to expire on November 30, 2010.

Unemployment among single mothers has increased dramatically, and men's high unemployment has made two-parent families more dependent on women's wages.

- The unemployment rate for women who head families was 12.9 in September 2010 and averaged 13.2 percent for third quarter of 2010. The 13.2 percent quarterly average is dramatically higher than at the beginning of the recession and indeed is the highest quarterly average unemployment rate for single mothers in over 25 years.



- At the same time that unemployment has battered female-headed households, men's rising unemployment (up from 5.4 percent in 2008 to 9.7 percent in 2009)³ has made two-parent families more dependent upon women's wages. The number of married couples with children relying exclusively on women's earnings jumped from about 1.4 million in 2008 to 1.9 million in 2009 – a 36.6 percent increase, compared with an increase of only 5.1 percent between 2007 and 2008.⁴ One-third of working mothers are

the sole wage-earners in the family, either because their spouses are unemployed or out of the labor force or because they are heads of households.⁵

Unemployment rates for women of color remain disproportionately high.

- Black women's September 2010 unemployment rate of 12.6 percent matches their average unemployment rate for the previous twelve months. Black women have not experienced another twelve-month period of unemployment this high in almost 25 years.⁶
- Hispanic women's unemployment rate, 11.1 percent in September 2010, also matches their average for the previous twelve months. Hispanic women have not experienced another twelve-month period of unemployment this high in over 15 years.⁷

State and local government jobs – predominantly held by women – are at greater risk now than earlier in the recession.

Even as the private sector slowly begins to create more jobs, adding 64,000 in September and 593,000 since September 2009,⁸ the typical time lag between broader economic conditions and local fiscal conditions means that state and local government budgets have yet to feel the full impact of the recession.⁹ Falling tax revenues and rising need for safety net services such as Medicaid have created massive budget gaps for state and local governments around the country, leading to layoffs in public workforces that are expected to continue through 2011.¹⁰ Because women hold a majority of jobs in both state and local government, especially in the education sector,¹¹ these cuts pose a particular risk to women and the families ever more dependent on women's income. Teachers, librarians, caseworkers, child care providers, and many other public and private employees who provide public services are likely to continue seeing their jobs threatened or their hours and wages cut as their employers struggle to balance budgets. For example:

- Of the 95,000 total non-farm jobs lost from August to September 2010, two-thirds (64,000) of those jobs were lost by women. This is a trend that can be seen over time: since September 2009, even though more jobs were created than were lost, women lost 219,000 non-farm jobs over the period.¹²
- Women's recent job loss is largely due to the loss of public sector jobs. For example, women make up about 60 percent of local government jobs, where 241,000 jobs were lost between September 2009 and September 2010, including 108,200 local government education jobs.¹³
- Since 2008, at least 43 states plus the District of Columbia have eliminated or postponed filling state jobs, imposed mandatory furloughs, and/or made other cuts affecting their workforces. States like New Jersey and Tennessee have eliminated thousands of state positions; Virginia, Maryland, Missouri and Iowa each have laid off hundreds.¹⁴
- A 2010 survey of city finance officers found that nearly three quarters of cities were instituting hiring freezes, while half reported pay cuts or salary freezes and a third reported layoffs.¹⁵
- A recent survey found local health departments across the country shed 16,000 jobs in 2009 through layoffs and attrition.¹⁶

Long-term unemployment rates remain at near record levels.

- When the recession officially ended in June 2009, the long-term unemployment rate – the percentage of jobless workers out of work and seeking employment for 27 weeks or more – was at 29.6 percent,¹⁷ a record high in the postwar period.¹⁸ Since then, the rate has climbed to 41.7 percent.¹⁹

Continued emergency unemployment benefits are warranted by persistently high unemployment and long-term unemployment rates.

- On June 30, 2008, with unemployment at 5.5 percent, President Bush signed into law a new Emergency Unemployment Compensation program (known as EUC08) to extend UC benefits beyond the maximum 26 weeks generally provided through the standard federal-state UC program. Congress has enacted similar emergency extensions during seven previous economic downturns over the past 40 years.²⁰
- As amended by subsequent legislation, the EUC08 program allows long-term unemployed workers (i.e., those who have been out of work and seeking employment for 27 weeks or more) to qualify for successive tiers of additional UC benefits. An individual may receive up to 20 weeks of tier I benefits; if she remains unemployed after exhausting tier I, she may be eligible for up to 14 weeks of tier II benefits. Tier III provides up to 13 weeks of additional benefits to workers who have exhausted tiers I and II and live in states with an average total unemployment rate of at least 6 percent (or an average insured unemployment rate of at least 4 percent). Recipients who have exhausted the previous tiers and live in states with an average unemployment rate of at least 8.5 percent (or average insured unemployment of at least 6 percent) may qualify for up to six final weeks of benefits under tier IV.
- During the past 40 years, Congress has not allowed emergency unemployment compensation benefits to expire when the unemployment rate was above 7.2 percent – and the current unemployment rate is 2.4 percentage points higher than that.²¹

Unless Congress extends it, the Emergency Unemployment Compensation program will expire November 30, 2010.

- Unemployed workers who had qualified for a tier I, II, III, or IV EUC08 benefit by November 27, 2010 will be “grandfathered” for their remaining weeks of eligibility *for only that specific tier*. Those who exhaust regular UC benefits after the week ending November 20, 2010 will not be eligible for EUC08 benefits at all.

Continuing unemployment insurance benefits helps both unemployed workers and the economy.

Unemployment insurance benefits are an essential lifeline for jobless workers and their families. Moreover, because recipients generally spend UI benefits quickly to meet basic needs, the benefits are good for the economy, generating up to \$1.90 in GDP growth for every federal dollar invested.²² With unemployment expected to remain above 9 percent through the end of 2011,²³ there is a clear need to maintain these emergency benefits, as Congress has done previously.

¹ Nat'l Bureau of Econ. Research, Business Cycle Dating Comm. (Sept. 20, 2010), *available at* <http://www.nber.org/cycles/sept2010.htm/>.

² U.S. Dep't of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Table A-1: Employment status of the civilian population by sex and age, seasonally adjusted; Table A-2: Employment status of the civilian population by race, sex and age, seasonally adjusted; Table A-3: Employment status of the Hispanic or Latino population by sex and age, not seasonally adjusted (last visited Oct. 8, 2010), *available at* <http://www.bls.gov/news.release/empstat.nr0.htm>.

³ U.S. Dep't of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Table A-1: Employment status of the civilian population by sex and age, seasonally adjusted (last visited Oct. 8, 2010), *available at* <http://www.bls.gov/news.release/empstat.nr0.htm>.

⁴ Nat'l Women's Law Ctr., Women's Lower Wages Worsen Their Circumstances in a Difficult Economy (April 2010), *available at* <http://www.nwlc.org/sites/default/files/pdfs/lowerwageshurtwomen.pdf>.

⁵ U.S. Cong. Joint Econ. Comm., Understanding the Economy: Working Mothers in the Great Recession (May 2010), *available at* http://jec.senate.gov/public/?a=Files.Serve&File_id=c8242af9-a97b-4a97-9a9d-f7f7999911ab.

⁶ Average is for the period of October 2009 through September 2010, inclusive. NWLC Calculations from U.S. Dep't of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Table A-2: Employment status of the civilian population by race, sex and age, seasonally adjusted (last visited Oct. 8, 2010), *available at* <http://www.bls.gov/cps/cpsatabs.htm>

⁷ Average is for the period of October 2009 through September 2010, inclusive. NWLC Calculations from U.S. Dep't of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Table A-3: Employment status of the Hispanic or Latino population by sex and age, not seasonally adjusted (last visited Oct. 8, 2010), *available at* <http://www.bls.gov/cps/cpsatabs.htm>

⁸ NWLC calculations from U.S. Dep't of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Table B-3: Employees on nonfarm payrolls by major industry sector and selected industry detail, seasonally adjusted (last visited Oct. 8, 2010) *available at* <http://www.bls.gov/ces/tables.htm#ee>.

⁹ Ethan Pollack, Econ. Policy Inst., Dire States: State and Local Budget Relief Needed to Prevent Job Losses and Ensure a Robust Recovery, at 2, 8 (November 19, 2009), *available at* <http://www.epi.org/publications/entry/bp252/>.

¹⁰ Elizabeth McNichol, Phil Oliff and Nicholas Johnson, Ctr. on Budget and Policy Priorities, States Continue to Feel Recession's Impact (Oct. 7, 2010), *available at* <http://www.cbpp.org/cms/?fa=view&id=1214>; *see also* Nicholas Johnson, Phil Oliff and Erica Williams, Ctr. on Budget and Policy Priorities, An Update on State Budget Cuts (Aug. 4, 2010), *available at* <http://www.cbpp.org/cms/index.cfm?fa=view&id=1214>.

¹¹ Women comprised 59.3 percent of the local government workforce, 68.3 percent of local government education employees, and 51.8 percent of state government employees in 2006, the last full year before the recession began. Linda Levine, Cong. Research Serv., Job Growth During the Recovery, at 9 (Sept. 30, 2010), citing BLS establishment data.

¹² NWLC calculations from U.S. Dep't of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Table B-3: Employees on nonfarm payrolls by major industry sector and selected industry detail, seasonally adjusted and Table B-4: Women employees on nonfarm payrolls by major industry sector and selected industry detail, seasonally adjusted (last visited Oct. 8, 2010) *available at* <http://www.bls.gov/ces/tables.htm#ee>.

¹³ *Ibid.*

¹⁴ Nicholas Johnson, Phil Oliff and Erica Williams, Ctr. on Budget and Policy Priorities, An Update on State Budget Cuts (Aug. 4, 2010), *available at* <http://www.cbpp.org/cms/index.cfm?fa=view&id=1214>.

¹⁵ Nat'l League of Cities, Research Brief: City Fiscal Conditions in 2010, at 5 (Oct. 2010), *available at* http://www.nlc.org/ASSETS/AE26793318A645C795C9CD11DAB3B39B/RB_CityFiscalConditions2010.pdf.

¹⁶ Nat'l Assoc. of County and City Health Officials, Local Health Department Job Losses and Program Cuts: Overview of Survey Findings from January/February 2010 Survey (May 2010), *available at* <http://eweb.naccho.org/eweb/DynamicPage.aspx?webcode=NACCHOPubHome>.

¹⁷ U.S. Dep't of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Table A-12: Unemployed persons by duration of unemployment, seasonally adjusted (last visited Oct. 8, 2010), *available at* <http://www.bls.gov/cps/cpsatabs.htm>

¹⁸ See Gerald Mayer and Linda Levine, Cong. Research Serv., Long-term Unemployment and Recessions, at 1-2 (May 3, 2010).

¹⁹ U.S. Dep't of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Table A-12: Unemployed persons by duration of unemployment, seasonally adjusted (last visited Oct. 8, 2010), *available at* <http://www.bls.gov/cps/cpsatabs.htm>

²⁰ Katelin Isaacs, Julie Wittaker and Alison Shelton, Cong. Research Serv., Unemployment Insurance: Available Unemployment Benefits and Legislative Activity, at 14 (Aug. 19, 2010).

²¹ Heather Boushey and Jordan Eizenga, Ctr. for American Progress, Extending Unemployment Insurance Benefits 101 (Sept. 21, 2010) *available at* http://www.americanprogress.org/issues/2010/09/ui_benefits101.html.

²² Cong. Budget Office, Policies for Increasing Econ. Growth and Employment in 2010 and 2011, at 18 (Jan. 2010), *available at* <http://www.cbo.gov/ftpdocs/108xx/doc10803/01-14-Employment.pdf>

²³ Cong. Budget Office, The Budget and Economic Outlook: An Update, at 79 (Aug. 2010), *available at* <http://www.cbo.gov/ftpdocs/117xx/doc11705/08-18-Update.pdf>.