

UNEMPLOYMENT

ISSUE BRIEF

Renewing Federal Emergency Unemployment Benefits: Vital for Women & Families—and the Economy

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Persistently high unemployment—and historic levels of long-term unemployment—necessitate renewing federal emergency unemployment insurance benefits that expired in December 2013.

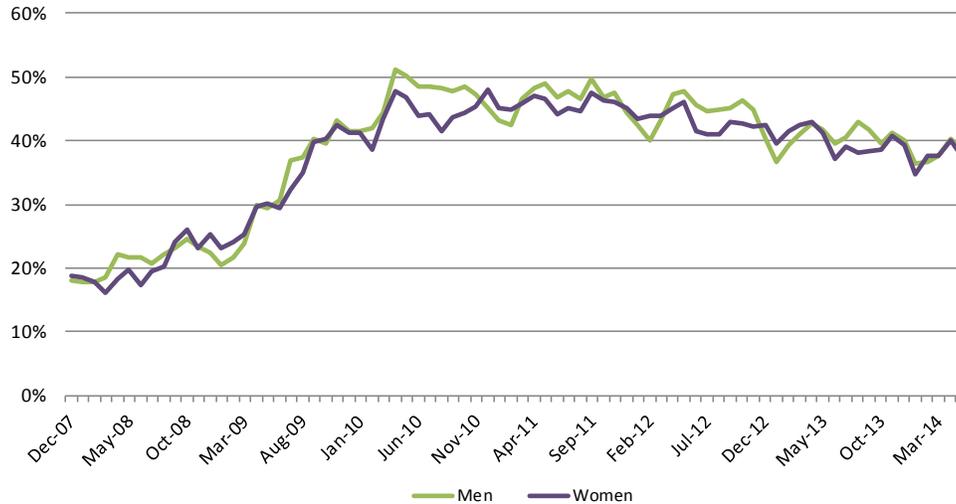
Five years after the severe recession that began in December 2007 officially ended in June 2009, the slow economic recovery has brought the national unemployment rate to 6.3 percent—but job seekers continue to outnumber job openings by 2.6 to 1,¹ and the ranks of the long-term unemployed remain at historic levels. Much of the improvement in the national unemployment rate over the past year has been due to people dropping out of, or not entering, the labor force due to weak job opportunities.² As of May 2014, more than one in three jobless workers—nearly 3.4 million Americans—had been unemployed for more than six months.³ More than 3 million people have lost unemployment insurance benefits since December 2013, when Congress ended the federal emergency unemployment insurance program.⁴

Federal emergency unemployment benefits for long-term unemployed workers who have exhausted their state benefits (typically 26 weeks) expired at the end of 2013. These benefits have played a critical role in the recovery, helping families avoid falling into poverty and spurring continued job growth by keeping dollars flowing into the economy. Allowing benefits to expire while unemployment remains very high cuts off a lifeline to unemployed workers and their families and slows potential for economic growth, which experts predict will lead the labor market to lose hundreds of thousands of jobs.⁵ Although the Senate passed a bipartisan bill to extend unemployment benefits in early April, the House has failed to take up the bill. By restoring federal unemployment benefits, Congress would help the long-term unemployed and promote a stronger recovery.

KEY FACTS

- The national unemployment rate was 6.3 percent in May 2014, and nearly four of every ten adult jobless workers had been unemployed for over six months.
- Before now, Congress had never allowed federal emergency unemployment benefits to expire when the share of jobless workers who were unemployed after 26 weeks was above 23.1 percent. As of May 2014, 34.6 percent of all jobless workers had been unemployed for more than 26 weeks.
- Because Congress failed to reauthorize federal unemployment benefits before the end of 2013, more than 3 million workers have had their benefits cut off since December, and about 72,000 more lose benefits each week—harming families and jeopardizing the recovery.

Percentage of Adult Jobless Workers Who Were Unemployed After 26 Weeks



Source: NWLC calculations from Bureau of Labor Statistics data.

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Long-term unemployment is at historically high levels for women and men.

- When the recession officially ended in June 2009, the percentage of jobless adult workers out of work and seeking employment for 27 weeks or more was at 30.1 percent,⁶ the highest level in more than three decades.⁷ Since then, the percentage climbed to a peak of 49.9 percent in April 2010 and remained at 38.3 percent in May 2014.⁸ Long-term unemployment among adult women has risen from 29.3 percent in June 2009 to 37.6 percent in May 2014—an increase of more than 8 percentage points.⁹ Adult men’s long-term unemployment has similarly increased—by 8.2 percentage points over this period—to 38.9 percent in May 2014.¹⁰
- Older workers are more likely to be unemployed for long periods of time. In May 2014, half of jobless women (50.6 percent) and nearly half of jobless men (46.3 percent) 55 to 64 had been searching for work for over six months. Nearly half of jobless women (46.4 percent) and over one-third of jobless men (35.6 percent) 65 and older also had been searching for work for over six months.¹¹
- Many of the long-term unemployed have been looking for work for much longer than 26 weeks, making continued federal benefits critical for both women and men. In May 2014, more than a quarter of adult jobless men and women were still looking for work after a year of searching.¹²

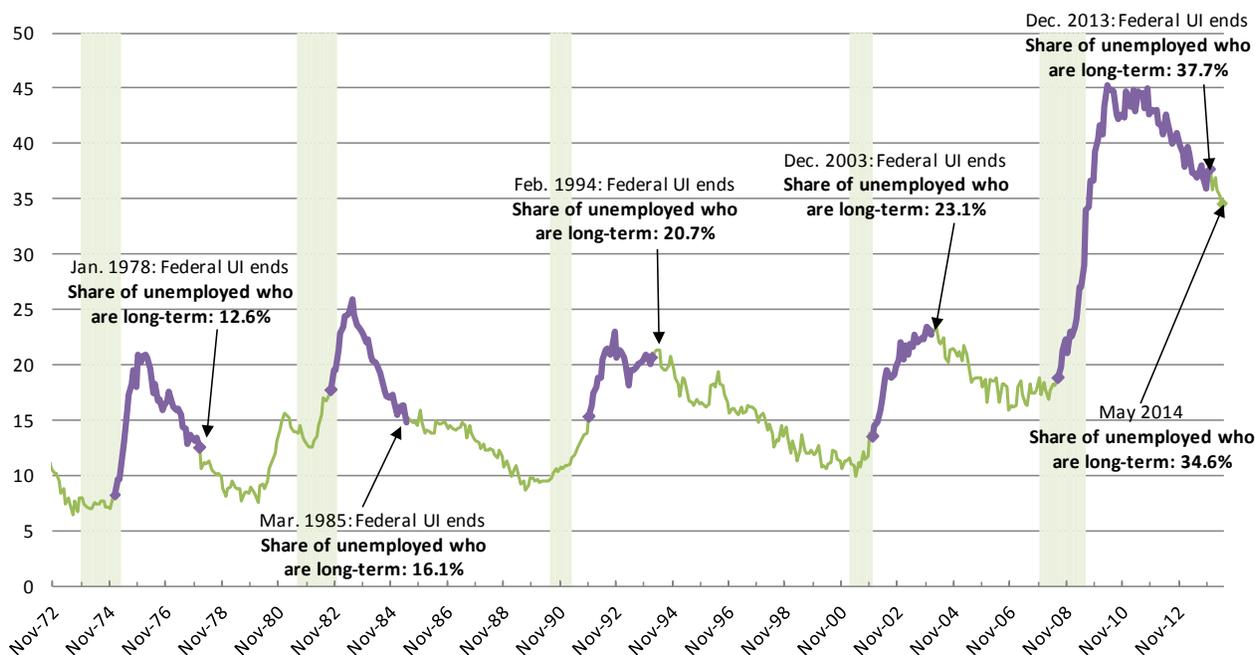
Federal unemployment insurance (UI) benefits help unemployed workers, their families, and the economy.

- Due in large part to federally funded benefits, UI kept over 1.7 million people (including 655,000 women and 446,000 children) from falling into poverty in 2012.¹³
- Because recipients generally spend UI benefits quickly to meet basic needs, the benefits are a critical tool to increase economic activity during periods of persistent high unemployment.¹⁴
- Maintaining federal emergency UI benefits in 2014 would have generated billions of dollars in economic activity, supporting an estimated 200,000 to 310,000 jobs.¹⁵

Persistently high unemployment—and historic levels of long-term unemployment—necessitate continued federal emergency UI benefits.

- On June 30, 2008, with unemployment at 5.6 percent,¹⁶ President Bush signed into law a new Emergency Unemployment Compensation program (known as EUC08) to extend unemployment benefits beyond the maximum 26 weeks generally provided through the standard federal-state unemployment insurance program. Congress has enacted similar emergency extensions during seven previous economic downturns over the past 50 years.¹⁷

Federal Emergency Unemployment Benefits in Response to Recessions



Sources: National Bureau of Economic Research and NWLC calculations from Bureau of Labor Statistics data.



- During the past 50 years, Congress has not allowed federal emergency UI benefits to permanently expire when the share of jobless workers who were unemployed after 26 weeks was above 23.1 percent—and the current share of jobless workers who are long-term unemployed is 34.6 percent.¹⁸

Unless Congress acts to restore the federal UI benefits that expired in December 2013, nearly five million people will have lost access to benefits by the end of 2014.

- The federal benefits available to workers who have exhausted their state UI benefits have diminished over the course of the recovery, as legislation enacted in February 2012 reduced the total number of benefit weeks available under EUC08 and the

Extended Benefits program phased out in all states (see next page).¹⁹ Federal UI benefit amounts have also been reduced due to sequestration cuts and averaged \$269 per week at the end of 2013, down from \$296 at the end of 2012.²⁰ Due to Congress's failure to renew the EUC08 program, no federal UI benefits are currently available, limiting most jobless workers to 26 weeks of state UI benefits.

- Federal UI payments were abruptly cut off for more than 1.3 million jobless workers when the EUC08 program expired at the end of 2013.²¹ That total has since climbed to more than 3 million and continues to grow, as UI benefits run out for approximately 72,000 unemployed workers each week.²² If Congress does not restore the program, a total of 4.9 million people will have lost access to benefits by the end of 2014.²³

Failure to extend federal unemployment benefits while unemployment and long-term unemployment remain painfully high is causing devastating consequences for workers, their families, and the economy.

How many weeks of unemployment benefits are available?

Because the federal EUC08 program expired in December 2013, jobless workers are now limited to the weeks of regular UI benefits available in their state — typically 26 weeks. Until it expired, the EUC08 program allowed unemployed workers who exhausted their state benefits to qualify for successive tiers of federal benefits if unemployment in their state reached specified levels. Under certain conditions, the Extended Benefits (EB) program allowed states to provide an additional 13 to 20 weeks of benefits.

Between June 2009 and December 2011, a total of 99 weeks of UI benefits were available in states with the highest levels of unemployment — up to 26 weeks of state benefits, 20 weeks of EB benefits, and 53 weeks of EUC08 benefits.

In 2012, the maximum total weeks of benefits available to jobless workers gradually dropped to 73 weeks, as the EB program phased out and legislation enacted in February 2012 reduced the number of weeks available under EUC08. Through December 2013, workers in states with unemployment at or above 9.0 percent could have been eligible for 73 weeks of benefits; in most states, the maximum was between 40 weeks and 63 weeks of benefits.

- 1 U.S. Dep't of Labor, Bureau of Labor Statistics (BLS), Current Population Survey (CPS), Table A-1, <http://www.bls.gov/webapps/legacy/cpsatab1.htm> (last visited Jun. 6, 2014). Unemployment rate is for all individuals 16 and older. Econ. Policy Institute (EPI), The State of Working America, The Job-Seekers Ratio, Dec. 2000 – Mar. 2014, <http://stateofworkingamerica.org/charts/job-seekers-ratio-total/> (last visited June 6, 2014).
- 2 Heidi Shierholz & Lawrence Mishel, EPI, Issue Brief: Labor Market Will Lose 310,000 Jobs In 2014 If Unemployment Insurance Extensions Expire, at 2 (Nov. 2013), available at <http://s3.epi.org/files/2013/ib371-ui-extension.pdf>.
- 3 NWLC calculations from U.S. Dep't of Labor, BLS, CPS, Table A-12, <http://www.bls.gov/news.release/empsit.t12.htm> (last visited Jun. 6, 2014). Figures are for all individuals 16 and older.
- 4 NWLC calculations based on Nat'l Emp. Law Project (NELP), Tables: Emergency Unemployment Compensation State-by-State Cutoff Numbers and Benefits Paid/ Jobs Saved, at 2 (Jan. 2014), available at <http://www.nelp.org/page/-/UI/2013/EUC-state-impact-tables.pdf?nocdn=1>.
- 5 See, e.g., Shierholz & Mishel, *supra* note 2, at 1.
- 6 NWLC calculations from U.S. Dep't of Labor, BLS, Table A-36, June 2009, 56 Emp. & Earnings No. 7, at 46 (2009), available at <http://www.bls.gov/opub/ee/empearn200907.pdf>. Rate is for individuals 20 and older.
- 7 NWLC calculations from BLS Series Report, <http://data.bls.gov/cgi-bin/srgate> (last visited June 6, 2014). Rates are for individuals 20 and older. Rates calculated using series codes LNU03000024 and LNU03008641.
- 8 *Id.*
- 9 *Id.* Rates are for individuals 20 and older. Rates retrieved using series code LNU03025711.
- 10 *Id.* Rates are for individuals 20 and older. Rates retrieved using series code LNU03025710.
- 11 NWLC calculations from U.S. Dep't of Labor, Bureau of Labor Statistics (BLS), Current Population Survey (CPS), Table A-36, <http://www.bls.gov/web/empsit/cpseea36.htm> (last visited Jun. 6, 2014).
- 12 NWLC calculations from BLS CPS data using Series Report, <http://data.bls.gov/cgi-bin/srgate> (last visited Jun. 6, 2014). Calculations are for individuals 20 and older. Codes used: LNU03000002, LNU03000014, LNU03008735, LNU03008740, LNU03000001, LNU03000013, LNU03008714, and LNU03008719. Figures are 26.3 percent for adult women and 27.2 percent for adult men.
- 13 NWLC calculations based on U.S. Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement (using CPS Table Creator), <http://www.census.gov/cps/data/cpstablecreator.html> (last visited Nov. 12, 2013).
- 14 See generally Shierholz & Mishel, *supra* note 2. See also Wayne Vroman, Urban Institute & IMPAQ Int'l, The Role of Unemployment Insurance as an Automatic Stabilizer During a Recession (2010), available at http://wdr.doleta.gov/research/FullText_Documents/ETAOP2010-10.pdf.
- 15 See Shierholz & Mishel, *supra* note 2, at 2. See also Letter from Douglas W. Elmendorf, Director, Cong. Budget Office, to Rep. Chris Van Hollen, at 2 (Dec. 3, 2013), available at <http://www.cbo.gov/sites/default/files/cbofiles/attachments/44929-UnemploymentBenefits.pdf>; Council of Econ. Advisers & Dep't of Labor, The Economic Benefits of Extending Unemployment Insurance, at 20-21 (Dec. 2013), available at <http://www.whitehouse.gov/sites/default/files/docs/uireport-2013-12-4.pdf>.
- 16 U.S. Dep't of Labor, BLS, CPS, Table A-1, <http://www.bls.gov/webapps/legacy/cpsatab1.htm> (last visited Dec. 10, 2012). Rate is for individuals 16 and older.
- 17 Julie M. Whittaker & Katelin P. Isaacs, Cong. Research Serv., Unemployment Insurance: Legislative Issues in the 113th Congress, at 3 (Sept. 2013).
- 18 Share of unemployed who are long-term unemployed from NWLC calculations from BLS Table A-12, *supra* note 3. Periods of federal emergency unemployment benefits from Julie M. Whittaker & Katelin P. Isaacs, Cong. Research Serv., Extending Unemployment Compensation Benefits During Recessions, at 25 (May 2013). Dates of recessions from the Nat'l Bureau of Economic Research, US Business Cycle Expansions and Contractions (Sept. 2010), available at http://www.nber.org/cycles/US_Business_Cycle_Expansions_and_Contractions_20120423.pdf.
- 19 Under certain conditions, the Extended Benefits (EB) program allows states with high unemployment rates to provide 13 to 20 weeks of benefits to unemployed workers who have exhausted their regular state benefits in addition to EUC08 benefits. Congress authorized full federal funding for the Extended Benefits (EB) program under the 2009 American Recovery and Reinvestment Act (ARRA) and subsequent legislation. See Whittaker & Isaacs, *supra* note 17, at 6-7. As of September 2012, the EB program had phased out in all states. Nat'l Employment Law Project, Phase-Out of Federal Unemployment Insurance, at 3 (Sept. 2012), available at http://www.nelp.org/page/-/UI/2012/EUC_fact_sheet.pdf?nocdn=1. For more information, see Ctr. on Budget & Policy Priorities, Policy Basics: How Many Weeks of Unemployment Insurance Are Available? (Dec. 2013), available at http://www.cbpp.org/files/PolicyBasics_UI_Weeks.pdf.
- 20 Nat'l Employment Law Project (NELP), More Than 2 Million Unemployed Workers Will Lose Jobless Aid By Early 2014 If Congress Allows Federal Benefits to Shut Down By Year's End, at 4 (Nov. 2013), available at <http://www.nelp.org/page/-/UI/2013/Issue-Brief-Two-Million-Unemployed-Lose-Federal-Jobless-Aid-Shut-Down.pdf?nocdn=1>.
- 21 NELP, Tables: Emergency Unemployment Compensation State-by-State Cutoff Numbers and Benefits Paid/Jobs Saved, at 1 (Jan. 2014), available at <http://www.nelp.org/page/-/UI/2013/EUC-state-impact-tables.pdf?nocdn=1>.
- 22 *Id.* at 2.
- 23 Council of Econ. Advisers & Dep't of Labor, *supra* note 15, at 1.