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Congress should not leave the unemployed behind

End of federal benefits would affect 36,000 Ohioans this month

More than 36,000 Ohioans will see their unemployment benefits cut off just before the new year if Congress does not approve an extension of U.S. support for these benefits.¹ The federal budget package announced Tuesday does not include such support. But such a cutback would hurt not only these workers and their families, but the larger Ohio economy. In September alone, Ohioans who had been without jobs for at least six months received a total of \$47.8 million in benefits under the federal program – money that largely is spent in local economies.²

The U.S. Council of Economic Advisers and U.S. Department of Labor estimated in a report this month that a total of 128,600 Ohioans would be affected by the end of 2014 if such support is not continued.³ That includes both those who are currently receiving these benefits and those who are likely to qualify.

While the national unemployment rate has fallen recently, it remains higher than at any other time such federal benefits were ended since such programs began in 1957. At the time the current program was begun under President George W. Bush in June 2008, the U.S. unemployment rate was 5.6 percent; it is now 7 percent. Long-term unemployment remains severe, with 4.1 million Americans unemployed for more than six months as of last month. In short, the conditions that caused Congress to establish the program remain very much in effect.

¹ Ohio Department of Job & Family Services, Ohio Labor Market Information, Unemployment Compensation Reports, Claim Trends – Weekly & Monthly, Beginning 1998. Report for week ended Nov. 30, 2013, available at <http://ohiolmi.com/uc/UCReports.htm>.

² U.S. Department of Labor, Employment & Training Administration, Emergency Unemployment Compensation 2008 (EUC08) and Federal-State Extended Benefit (EB) Summary data for State Programs, Data from July 2008 - Present, spreadsheet format, available at <http://workforcesecurity.doleta.gov/unemploy/euc.asp>.

³ The Council of Economic Advisers and the Department of Labor, “The Economic Benefits of Extending Unemployment Insurance,” Dec. 2013, p. 19, at www.whitehouse.gov/sites/default/files/docs/ui-report-2013-12-4.pdf.

Unemployed Ohioans who are unable to find jobs after 26 weeks of regular state benefits currently may receive up to another 37 weeks of benefits paid for by the federal government, known as Emergency Unemployment Compensation.⁴ On average, Ohio claimants have been receiving around \$300 a week under the program. This has been important in keeping many families from slipping into poverty.

Unemployment insurance helps keep workers in the labor market, making sure workers have transportation to job interviews and money to cover other expenses needed to look for work. Congress should rethink this issue and keep this important program alive.

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*

⁴ The number of additional weeks varies by state, and is dependent on the unemployment rate. Since earlier this year, when Ohio's unemployment rate again rose over 7 percent, long-term unemployed who qualified have been able to receive up to 37 additional weeks of benefits under the program. See Policy Matters Ohio, "Sequestration cuts benefits to Ohio unemployed, even as more long-term jobless will qualify for U.S. aid," April 30, 2013, available at www.policymattersohio.org/sequester-uc-apr2013.