

Federal Unemployment Insurance Puts People Back to Work and Back on Their Feet

THE ISSUE

When hard times hit and American workers lose their jobs, they rely on unemployment insurance to help pay for food, housing and other basic needs. But unemployment insurance is more than that. It is an indispensable support for jobless workers and their families who, like the nation itself, are fighting hard to achieve a meaningful economic comeback.

Today, more than five million Americans are counted as long-term unemployed—jobless for more than six months. More than 2.1 million of those workers are currently receiving aid under the federal program of Emergency Unemployment Compensation (EUC), which is scheduled to expire abruptly at the end of 2012. If the EUC program is allowed to die, it will signal the end of any national response to the ongoing economic threat posed by record levels of long-term unemployment, as well as an abandonment of all those workers trying to keep hope while hunting for a new job.

Congress must act now to renew the EUC program through 2013 to ensure that unemployed workers and their families have the critical help they need to get back to work so they can become part of a strong national economic recovery.

THE FACTS

The federal unemployment insurance program has strong built-in systems to ensure that workers who file for EUC benefits are actively seeking work. These include specific work-search requirements, as well as “reemployment eligibility assessments” in which the



Joe Matera, a 41-year-old father of three from Patterson, New York, found himself out of work when his business analyst position in Connecticut was eliminated in a “restructuring” in June 2011. While he and his family were kept afloat with the help of state and then federal unemployment insurance, he pursued an intensive job search that landed him a new job as a senior CRM administrator in August 2012.

“Looking for a suitable new position is a time-consuming, full-time endeavor—especially in a tough job market where it takes a lot of folks longer than ever to find new work. With 18 years of continuous employment and solid career experience, it still took over a year to secure the job I have now.”

“I needed to devote my time and attention to finding a new position, and unemployment insurance allowed me to do just that while helping us keep up with the mortgage and pay our bills.”

“I am incredibly thankful for unemployment insurance, including emergency unemployment compensation. I don’t know where my family would have been without it. I hope I never have to receive unemployment insurance again in my lifetime but, if I do, it’s good to know that it is there.”

state interviews all workers applying for EUC to make sure they have an effective reemployment plan that can be closely monitored by the state.

Unfortunately, the economy has failed to generate enough work to employ all those who have been hit hard by the worst economic crisis since the Great Depression. These workers have not been deterred, however, and they take very seriously their obligation to find work and support their families, as documented by a national survey of unemployed workers conducted by the John J. Heldrich Center for Workforce Development at Rutgers University. The Center found the following:

- Unemployed workers who received unemployment insurance were more likely to have been proactive in seeking work than those who did not receive UI, devoting more hours to job search and examining job postings.
- Approximately four out of five unemployment insurance recipients said they were willing to accept a pay cut in order to get a new job, compared with two out of three who were not receiving UI.
- Of those unemployment insurance recipients who found a new job, 59 percent took a pay cut in order to secure new employment.

Another study by the Joint Economic Committee of Congress found that “since Congress enacted federal unemployment benefits, time spent looking for a job has tripled among the long term unemployed who are out of work as a result of job loss.” The same study found that while unemployment rose during the Great Recession and its aftermath, “beneficiaries of federal UI benefits have spent more time searching for work than those who were ineligible for UI benefits.”

The facts are clear and compelling—the vast majority of Americans who are receiving unemployment insurance want to work and are looking hard for that next job. They want to get back on the economic ladder near where they fell off, but they understand the labor market is still tough and that they may need to take a pay cut or start over in a different industry or occupation.

That is why it’s so critical that Congress renew the EUC program through 2013. The federally funded program plays an essential role in helping unemployed families find work and get back in the game, which in turn helps build a strong and more vibrant economic recovery.

CONGRESS MUST ACT

Congress should immediately renew the Emergency Unemployment Compensation program through 2013, and provide additional funding to support model programs that address the employment needs of the long-term unemployed.

About NELP and UnemployedWorkers.org

The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. NELP promotes policies to create good jobs, enforce hard-won workplace rights, and help unemployed workers regain their economic footing. UnemployedWorkers.org, a project of NELP, is a grassroots online campaign and informational portal that serves, engages, and informs unemployed workers. For more about NELP, please visit www.nelp.org.