



From the National Employment Law Project

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NELP STATEMENT ON JUNE EMPLOYMENT REPORT

Washington, DC – The 125,000 jobs lost in June underscore how critical it is that the Senate restore federal jobless benefits when it returns from the July 4th recess, the National Employment Law Project said today.

“It’s absurd to think that most Republicans and some Democrats just spent an entire month – several months – battling against jobless benefit extensions when the job market remains so weak. June’s mixed jobs report still left the unemployment rate at 9.5% and there are five unemployed workers for every job opening. Allowing jobless benefits to expire in this climate is like going to the doctor when you’re sick but refusing to take the medication. Restoring jobless benefits has to be the first order of business when the Senate returns,” said **Christine Owens, Executive Director of the National Employment Law Project.**

Never before has Congress cut off benefits when unemployment was so high. As a [report](#) this week by the **National Employment Law Project** and **Center for American Progress** documents, since the 1950s, federal unemployment insurance extensions remained in place during recessionary periods until unemployment dropped to as low as 5.0 percent. The highest unemployment rate at which these extensions were allowed to expire was 7.2 percent, following the 1983 recession – substantially lower than the current rate of 9.5 percent.

With the June jobs report, 14.6 million workers are unemployed and over 9.2 million are collecting some form of unemployment insurance, including 4.9 million receiving the federal extensions. The average duration of unemployment is a record 35.2 weeks (over 8 months). While June’s report showed the unemployment rate dipping to 9.5 percent, the change can be attributed to a whopping 650,000 adult Americans who dropped out of the labor force in June – the second highest one month increase in the number of Americans opting out of the labor force in the last decade.

As a result of the failed extension vote in the Senate this week – which had majority support but lacked the sixty votes required to end debate and move the measure to a final vote – the Department of Labor estimates that 1.72 million long-term unemployed will be cut off jobless benefits by the end of this week, and 3.23 million by the end of July if extensions are not

approved. Stated differently, an average 375,000 unemployed workers per week will run out of benefits over the next 5 weeks.

While the June employment report showed some encouraging signs of life in the private sector job market (as opposed to government jobs, which fell sharply as the census wrapped up), job growth is still well short of what is needed to bring the unemployment rate down to reasonable levels. “If we added 218,000 private sector jobs each month from now on—the highest monthly payroll increase seen so far this year in the private sector—it would still take almost five years to fill the hole,” the [NELP-CAP report](#) notes. Economists across the board agree that unemployment benefits are one of the most important counter-cyclical economic policies we have. According to Mark Zandi of Moody’s Economy.com, every dollar of unemployment benefits generates \$1.60 in economic growth.

“For all the political posturing we’ve seen over the past month, today’s jobs report is a sharp reminder that the problem right now is a lack of jobs. If we want to dig ourselves out of this hole, we need to give Americans the tools to do it. We have to put money in the hands of people most likely to spend it. That means continuing effective stimulus provisions like unemployment insurance in order to increase consumer activity, boost local economies, promote job creation – and keep the millions of jobless Americans afloat until they can find work again,” said Owens.

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