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## **NEW STATE-BY-STATE ANALYSIS SHOWS SEVERE HARDSHIP ON WORKERS AND ECONOMY IF RECOVERY ACT'S UNEMPLOYMENT PROVISIONS EXPIRE**

*Over Three Million Workers Will Lose Benefits in 1<sup>st</sup> Quarter of Next Year*

### **State Labor Commissioners Join in Calling on Congress to Swiftly Renew Unemployment & COBRA Benefits**

Washington, DC – Today, the National Employment Law Project (NELP), the Center for American Progress Action Fund and the Half in Ten Campaign released a report detailing the severe economic and human costs by state if key provisions of the American Recovery and Reinvestment Act (ARRA) – scheduled to expire at the end of the year – are not renewed and millions of workers become ineligible for unemployment and COBRA benefits. The groups were joined by state labor commissioners from across the country, as well as labor and civil rights leaders, in calling on Congress to renew the ARRA's provisions swiftly by the end of the year.

“The unemployment crisis will not disappear when we flip the calendar to 2010, and that means the unemployment benefits and COBRA subsidies that millions of Americans now survive on must continue if the economy is to recover. This paper spells out just what is at stake for millions of families struggling in the communities hit hardest by the recession,” said **Christine Owens, Executive Director of the National Employment Law Project**, which co-authored today's report.

*Keeping a First Line of Defense for the Jobless* was presented at the National Press Club today in Washington, D.C. and provides national and state-by-state impacts should key ARRA unemployment and health provisions expire this year:

- One million workers will be left unemployed in January with no access to benefits, which will swell to over three million workers by the end of March.
- The top ten states that will have the greatest drop-offs of more than 100,000 workers in the first quarter of the year are: California (589,000), Florida (314,000), New York (239,000), Texas (196,000), Illinois (193,000), Michigan (183,000), Ohio (145,000), Georgia (144,000), Indiana (119,000) and Massachusetts (102,000).
- Compounding a severe funding crisis already facing the state unemployment programs, 12 states will have to return to paying a 50% share of the federal Extended Benefits program – which provides 13-20 weeks of jobless benefits – because the ARRA's full federal funding for the program expires.

Those states are: Alaska, Connecticut, Kansas, Minnesota, New Hampshire, New Jersey, New Mexico, North Carolina, Oregon, Rhode Island, Vermont and Washington.

- The state agencies that process unemployment benefits, which have already been overwhelmed by the record volume of claims, will have to notify all recipients of an interruption in federally-funded benefits and adapt to new benefits programming and major processing delays.
- Hundreds of million of dollars in income will be lost to struggling unemployed families when the ARRA's \$25 boost in weekly benefits expires, along with a provision suspending the federal income tax in the first \$2,400 in unemployment benefits.
- Failure to reauthorize and expand the 65% COBRA subsidy could result in nearly half of those now enrolled in the COBRA program becoming uninsured and exposed to even more serious financial hardship should they suffer even a minor health problem requiring medical care.

“Recognizing that rising unemployment will continue to plague the economy, President Obama made it clear last week that job creation is the Administration’s top priority. Providing benefits to the jobless is critical to sustaining the fragile economy and to getting hard working families back in the labor market,” said **Heather Boushey, Senior Economist with the Center for American Progress**, and a co-author of the report.

The Labor Commissioners of Kansas, Maine, New Jersey, Pennsylvania and Washington traveled to Washington, D.C. Monday, along with state agency officials from Arizona, Iowa, and New York, to share first-hand the urgency of renewing the federal jobless provisions.

“With unemployment rates reaching their highest levels in 25 years, the federal stimulus package provided a significant financial lifeline for families seeking to get back on their feet. If Congress does not recast this lifeline by renewing these provisions without delay, our most vulnerable citizens – already hardest hit by the recession – will be left with no ability to pay their bills, heat their homes and feed their families,” said **Sandi Vito, Secretary, Pennsylvania Department of Labor & Industry**.

“House and the Senate leaders have recognized the need for swift action to reauthorize the ARRA programs before they expire, but the clock is running out fast. Ensuring that our nation’s most vulnerable workers survive this jobs crisis is not just good economic sense, it’s a moral imperative, and it must be Congress’ highest priority before it recesses for the year,” said **Wade Henderson, President and CEO of the Leadership Conference on Civil Rights, on behalf of the Half in Ten Campaign**.

**Meei Shi Child** joined the advocates and officials today to share her need for continued benefits, citing the financial hardship she endures after losing her job in March 2009, while taking care of her three-year daughter and 91-year old mother-in-law. “My unemployment checks have become vital safety net for me and my family, and there are so many workers and families like mine struggling during this economic downturn. Congress must act quickly to reauthorize these necessary programs,” she said.

Additional speakers and attendees included: **Arlene Holt Baker**, Executive Vice President, AFL-CIO; **Nancy Duff Campbell**, Co-President, National Women's Law Center; **Jim Garner**, Secretary, Kansas Department of Labor; **Laura Fortman**, Commissioner, Maine Department of Labor; **Karen Lee**, Commissioner, Washington Department of Employment Security; **David Socolow**, Commissioner, New Jersey Department of Labor and Workforce Development; **Nancy Dunphy**, Deputy Commissioner, New York Department of Labor; **Joseph Walsh**, Deputy Director, Iowa Workforce Development; **Rochelle Webb**, Administrator, Arizona Department of Economic Security.