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NELP STATEMENT ON JANUARY EMPLOYMENT REPORT

Deadlines Loom for Congress & States to Secure Expiring Assistance to Long-Term Unemployed

Washington, DC – While unemployment fell to 9 percent in January, the economy added a meager 36,000 jobs, with modest additions coming from manufacturing and retail trade. Around 6.2 million Americans have been out of work for six or more months, and the ongoing shortage of jobs—nearly five workers for every opening—means growing numbers of Americans will exhaust unemployment insurance without finding work or will drop out of the labor force. With revised data showing the jobs hole is 483,000 jobs larger than previously reported, the first glimpse of economic growth in 2011 indicates that the job crisis persists and long-term unemployment remains a grave problem, reinforcing the urgent need for job creation. Furthermore, a new measurement phased in by the Labor Department in January found that the average length of unemployment is now at an all-time record of 36.9 weeks, or 9 months.

“We’re starting to see a tale of two cities unfold—one where corporations net major profits and warily add to payrolls, and another where millions of unemployed workers face increasing risk of being left behind,” said **Christine Owens, executive director of the National Employment Law Project**. “Despite conflicting signs in January’s report and weather-related impacts, one thing is clear: the anemic rate of job growth last month is not enough to get the economy on sound footing. We can’t lose sight of the need to address the crisis facing millions of Americans who are out of work, in some cases for extremely long stretches. Dramatically increasing the pace of job creation is the first priority, and we need to make sure the jobs we create are good jobs. We also can’t afford to weaken the nation’s best retraining and unemployment programs that have helped millions of trade-affected workers and helped mitigate economic damage,” said Owens.

Beginning on February 12th, workers laid off due to trade could face increased hardship if Congress allows the Trade Adjustment Assistance (TAA) overhaul passed under the American Recovery and Reinvestment Act to expire. The updated provisions increased training funds and healthcare cost supplements to help workers in outsourced jobs find new employment. The overhaul also expanded eligibility to include workers losing jobs because of trade with certain countries previously not covered by TAA, like India or China, or who worked in a broader scope of occupations increasingly vulnerable to trade, like accounting, computer programming, health care and other service jobs. TAA’s importance to trade-impacted workers has spiked since the start of the recession, and since May 2009, roughly 155,000 men and women received retraining through TAA who would not have without the new provisions.

“Reauthorizing Trade Adjustment Assistance is the appropriate way to balance the country’s support for American companies abroad with support for displaced workers here at home,” said Owens.

Another deadline looms for nine states to pass legislation allowing workers to receive 13 to 20 weeks of unemployment “Extended Benefits” fully funded by the federal government. Most states have had to enact legislation to procure these funds, and while 26 have done so to date, **Arkansas, Iowa, Louisiana, Maryland, Mississippi, Montana, Oklahoma, Utah and Wyoming** have not. A forthcoming NELP report will offer

estimates of the thousands of long-term unemployed workers at risk of being prematurely cut off unemployment benefits, and the millions of dollars states could lose should they fail to act.

“Twenty-six states have acted to provide 13 to 20 weeks of federally-funded extended benefits to long-term jobless workers who have exhausted their regular state and federal emergency benefits. The nine states that have yet to act are denying long-term jobless workers, their families and their communities the critical support they need to make it through the recovery,” said Owens.

“The message from January is clear: we need to increase the pace of good job creation and help the unemployed transition back to work—it’s the only way things are going to turn around,” said Owens.

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