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A MEMBER OF THE NATIONAL ASSOCIATION OF CHILD ADVOCATES

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Without Congressional Action, 46,000 Wisconsinites Will Lose Unemployment Insurance Benefits

If Congress fails to act this week, more than 7,000 unemployed people in Wisconsin will lose federal unemployment insurance benefits in January and more than 46,000 will be affected over the next six months.

“Unemployment insurance is a critical support for working families when someone has been laid off,” said Anne Arnesen, Executive Director of the Wisconsin Council on Children and Families. “We need federal benefits to kick in during tough economic times when it takes longer for people to find a new job.”

State unemployment insurance benefits last up to 26 weeks. However, if someone is unable to find a job within that period, they are currently eligible for up to 13 weeks of federal benefits.

The federal law authorizing the additional 13 weeks of benefits will expire on December 21, unless Congress acts this week to extend it. Although Congress has adjourned for the year, the House and Senate return Monday and Tuesday for a special session on the budget, which provides an opportunity to act on the unemployment insurance issue. It is uncertain, however, whether either house will take up the issue of extending the federal unemployment insurance benefits.

“If Congress fails to act this week to continue the current extended benefits program, it will be a grim Christmas for thousands of Wisconsin families,” Arnesen said.

Arnesen noted that even after the modest national increases in jobs over the last three months, there are still nearly 2.4 million fewer jobs than when the economic downturn began in early 2001, and long-term joblessness is at a 20-year high.

The current federal program providing 13 weeks of additional unemployment benefits was initiated by Congress and President Bush in March 2002 to help cushion families from financial crisis and to stimulate the economy. Since then, the federal extended unemployment insurance benefits have pumped \$287 million into the Wisconsin economy.

(more)

If Congress does not take any action to continue the federal unemployment insurance benefits, people who start receiving those benefits before December 21 will not be affected. But unemployed workers who use up their regular state unemployment insurance benefits after December 20 will not be eligible for the federal extended benefits program.

The National Employment Law Project estimates that if the program expires in December about 400,000 jobless workers a month will exhaust their state unemployment benefits without being able to collect federal extended benefits. More than two million workers would be adversely affected over the next six months.

“The extended federal benefits shouldn’t be allowed to end until the labor market has gotten much healthier,” Arnesen said. “In times of high long-term unemployment, this is a critical safety net program for families struggling to stay in their homes and to put food on the table.”

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