TIME TO FIX THE FEDERAL UNEMPLOYMENT BENEFITS PROGRAM

Long-term joblessness rising beyond the recession

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Hundreds of thousands of unemployed workers began exhausting up to 13 weeks of federal benefit extensions in early June. At the same time, long-term unemployment is increasing, with nearly one in five unemployed workers out of work six months or more in June 2002. Meanwhile, only a handful of states qualify for additional unemployment insurance (UI) benefits available in "high unemployment" states under either the temporary UI extension program enacted in March 2002 (Temporary Extended Unemployment Compensation) or the permanent UI extension program (called Extended Benefits).

Despite a jobless rate holding steady near 6%, the Bush Administration maintains that it is "premature" to consider reforms to the federal extension of unemployment benefits to make additional benefits available to workers in high unemployment states.[1] Challenging this notion, this paper makes the case that long-term unemployment will continue to grow well past the recession, and thus that the time has come to reform the program if more severe economic hardship is to be avoided. In fact, although the present recession has not been as severe in some respects as past downturns, long-term unemployment levels now exceed those reached in any recent recession. With over 1.6 million workers now out of work six months or longer, this paper also recommends a series of specific measures to fill the gaps in the federal extended benefits programs.

As described in more detail below, the analysis includes the following key findings:

- Since the beginning of the current recession, long-term unemployment has increased faster than in any of the past five recessions. Specifically, it has increased by 140%, from 696,000 workers in March 2001 to 1.67 million in June 2002. In June 2002, there were more workers long-term unemployed than at any time in the past eight years.

- For unemployed workers, the current recession has been more severe than previous recessions. Long-term unemployment comprises a larger percentage of the unemployed compared to the last four recessions.

- In the 1981 and 1990 recessions, long-term unemployment peaked nearly 7 months and 19 months, respectively, after the recessions officially ended. Thus, assuming this trend holds true for the current recession, long-term unemployment is likely to continue to rise into next year, well after the current extension of the unemployment benefits expires.

- Research indicates that the federal extended unemployment benefits program enacted during the last recession significantly reduced family hardship. For example, 77% of the unemployed who applied for UI would have ended up with family incomes below poverty had they not received federal extended benefits.

- During the last recession, workers collecting extended benefits were more likely to be African American (16.9% of African Americans collected extended benefits, while African Americans represented 9.8% of those collecting regular state unemployment). In addition, those workers who collected extended benefits were more likely to be unemployed due to plant closings, elimination of the job and other permanent layoff situations (representing 31.4% of all those collecting extended benefits).

- As of June 1, over 1.4 million workers were collecting up to 13 weeks of federal extended benefits as a part of the temporary UI extension enacted in March 2002. Approximately 880,000 of these workers are expected to run out of their federal extended benefits, based on state-by-state estimates prepared for this report.

- By mid-July, only two states (Oregon and Washington) will qualify as “high unemployment” states eligible to receive another 13 weeks of federal extended benefits. In the ten states with the highest rates of unemployment as of May 2002, over 313,000 of these workers will run out of all extended unemployment benefits.

- Based on the recommendation of a bi-partisan commission appointed during the last recession by Presidents Bush and Clinton, we recommend that the formula for the temporary and the permanent extension programs be fixed to more accurately capture all the states with high unemployment that should qualify for additional extended benefits.

- As described below, all indications are that *long-term* unemployment is likely to be high well into next year. Thus, the temporary extension program should be extended beyond the December deadline.

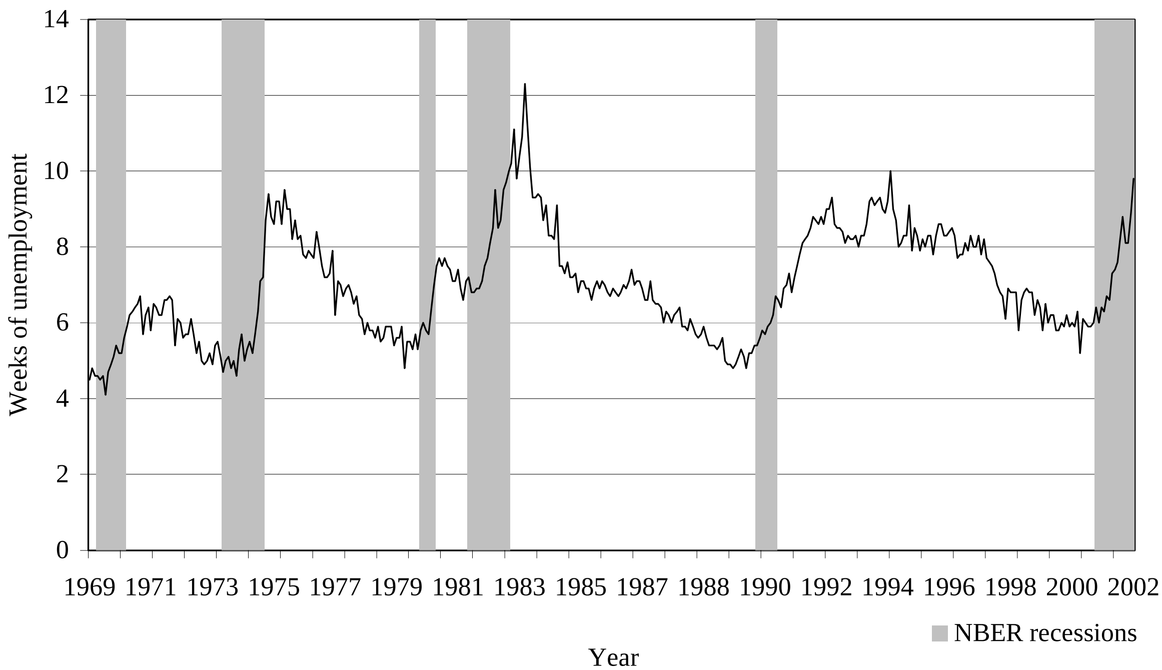
* * *

Long-Term Unemployment Rising Beyond the Recession

As of June, half of all the unemployed have searched for work for more than 11.7 weeks, according to the Bureau of Labor Statistics. This median unemployment duration is the highest since 1983- immediately following the severe recession of the 1980s. Even these figures mask the fact that one in five unemployed workers will find themselves out of work for more than 26 weeks. As labor market conditions deteriorate and competition for fewer jobs intensifies, unemployed workers will remain jobless for increasingly longer periods of time.

Demonstrated by chart 1, unemployment durations have been increasing since 1969. Examining data from trough to trough – that is, comparing the best labor markets to each other – the median duration of unemployment has increased. Half of all the unemployed searched for work for more than 4 weeks in March 1969, compared to 5.2 weeks in September 2000. This upward trend has taken place despite steps taken by Congress and state lawmakers to curtail the generosity of the unemployment insurance system. As of June 2002, half of all the unemployed have been searching for work for more than 11.7 weeks. This is the longest time workers have spent looking for work since May of 1983.

CHART 1 Median unemployment duration and NBER recessions, 1969 to 2002



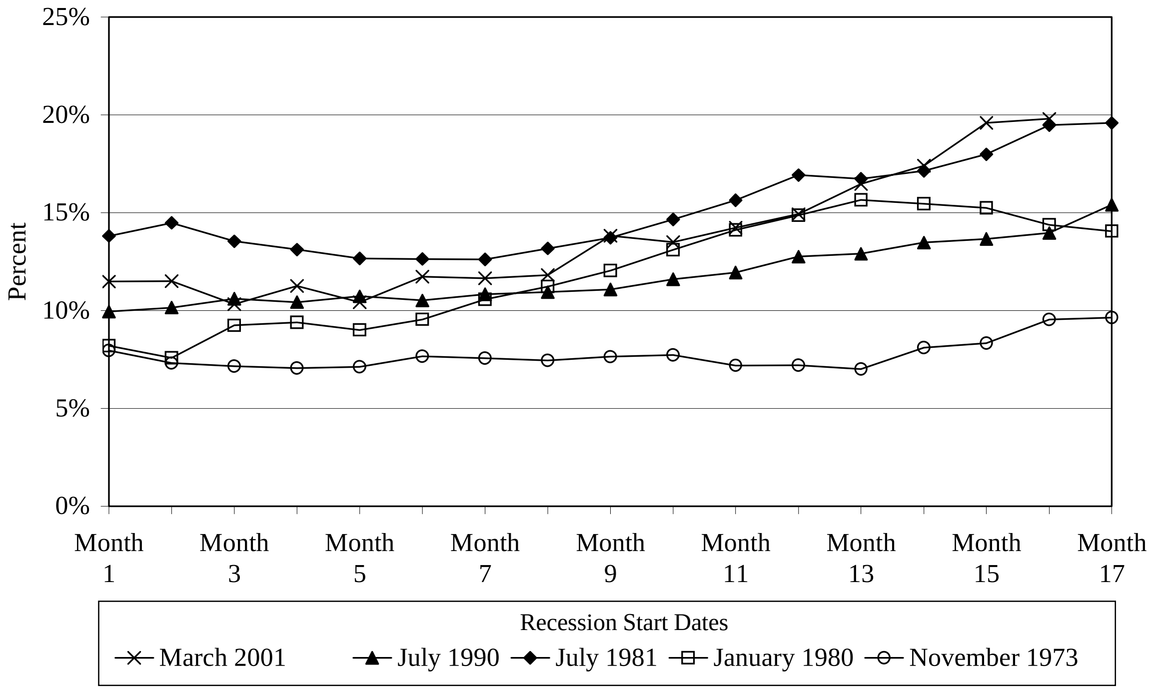
In this current weak labor market, long-term unemployment (defined here as unemployed longer than 26 weeks and still looking for work) has increased dramatically. Since the beginning of the current recession, long-term unemployment levels are now higher than in any of the past five recessions. This is especially significant because when the recession began, jobless spells were already relatively long compared to prior recessions. As indicated in chart 2, the percent of long-term unemployed has increased by 140%, from 696,000 workers in March 2001, to 1.67 million in June 2002. This conclusion does not change even if it is assumed that the recession ended as early as four months ago.[2] In June 2002, there were more workers unemployed long-term than in any time at the past eight years (since May 1994)**.** The long-term unemployment rate increased in recent months from 13.9% of all unemployed workers in January 2002, to 19.4% in June 2002.

Also significant from the point of view of federal policy, long-term unemployment continued to increase long after the most recent recessions ended. In 1983 and 1991, long-term unemployment peaked nearly 7 months and 19 months, respectively, after the recessions officially ended. Thus, assuming this trend holds true for the current recession, long-term unemployment is likely to continue to rise into next year, well after the current extension of unemployment benefits expires.

A Meager Recovery Means Continued Joblessness

Some economists have been overly optimistic about the current recession – pleased with its timidity and brevity. Yet for many workers, the current recession has been much worse than previous recessions. In

CHART 2 Long term unemployed as a percent of all unemployed, by month after recession begins (seasonally adjusted)



particular, long-term unemployment comprises a larger percentage of total unemployment at this point in the business cycle than in the last four recessions.[3] Chart 2 shows the percentage of the unemployed who are long-term unemployed for each of the last five recessions. Sixteen months after the current recession began, the long-term unemployed comprise nearly one out of every five of the unemployed.

While the unemployment rate during this recession has not risen as much as in previous recessions, payroll employment (according to establishment data) has declined by 1.9% during the past 16 months (since the beginning of the recession). By contrast, the 1990-1991 recession caused payroll employment to fall 1.6% during the 14 months after the beginning of that recession. Thus, while unemployment rates are relatively low for this point in the business cycle, job losses have been considerable.

This trend is not likely to reverse itself any time soon. Slow GDP growth coupled with productivity gains will result in a continued weak labor market – making finding a job increasingly difficult. For these reasons, if the recovery has begun, it is fair to say it is modest at best.[4] There are also significant signs that consumer confidence is still weak, fueled by the feeling of the majority of workers that their jobs are still in jeopardy. According to a recent survey conducted by the Pew Research Center, fewer than one-third of workers believed that jobs were plentiful or that the economy was likely to improve in the next year.[5]

Without Extended Unemployment Benefits, Long-Term Unemployment Causes Severe Economic Hardship

There is a substantial body of research documenting the economic and family circumstances of the long-term unemployed and the significant role that extended unemployment benefits play in reducing the hardships caused by unemployment. For the purposes of this analysis, we will focus on a comprehensive study conducted by Mathematica Policy Research chronicling the experience of the unemployed who collected benefits as part of the last extension of unemployment benefits enacted to respond to the recession of the early 1990s.[6]

• Extended Benefits Substantially Reduce Poverty

The Mathematica study concluded that the extension of the 1990s, called Emergency Unemployment Compensation (EUC), "kept a substantial portion of families from experiencing poverty-level incomes during the period of EUC collection."[7] While poverty rates for workers who initially applied for unemployment insurance benefits were the same as for the population as a whole (11-12% at the time of the program), the poverty rate increased to 41% for the unemployed who collected both regular state and federal extended unemployment insurance benefits. It is estimated that without federal extended benefits, 77% of the unemployed who applied for UI would have ended up with family incomes below poverty. Average weekly earnings were $676 when these workers first became unemployed, and earnings would have been just $183 a week without federal extended benefits.

• Workers Collecting Extended Benefits Cross Socio-Economic Circumstances

With some exceptions, the circumstances of workers collecting federal extended benefits during the last recession covered a broad socio-economic spectrum. In general, these workers tended to be slightly older compared to workers who collected only regular state unemployment benefits (33% were over 45). By a small margin, they also were more often female (44.3% were women), more educated, higher income (averaging $30,400 a year), and they held their prior jobs a bit longer than those workers who collected only regular state benefits (6.2 years on average). However, workers collecting extended benefits were far more likely to be African American (16.9% of African Americans collected extended benefits, while African Americans represented 9.8% of those collecting regular state unemployment). In addition, those workers who collected extended benefits were much more likely to be unemployed due to plant closings, elimination of the job and other permanent layoff situations (representing 31.4% of all those collecting extended benefits).

• Workers Exhausting Extended Benefits are Older & More Often Low-Income

By tracking workers over three and half years, the Mathematica study was also able to chronicle the experiences of those workers who found work after collecting extended benefits and those who did not. Consistent with the findings in chart 2, a significant proportion of unemployed workers failed to find work for long periods of time following the recession. Indeed, half of all workers who exhausted their extended unemployment benefits were still without work one year later, and 22% were unemployed for the entire study period.

The 22% who were unemployed for the full duration of the study were disproportionately older, minority and poor. Among workers who never found a job, more than one out of four were over 55, whereas only one in ten of those who found employment were over 55. A large percentage of those who remained unemployed were minorities. Specifically, 38% of those unemployed for the duration of the study period were non-white, whereas, 25.1% of those who found employment during the study period were non-white. Finally, a significant proportion (38.2%) reported earning less than $6 an hour before they became unemployed compared with 22.4% who were low-wage workers and later became re-employed.

• Workers Who Found Work After Collecting Extended Benefits Employed for Less Pay and Fewer Hours

Finally, the study portrays the continuing hardships experienced even by those workers who found work after collecting extended benefits. Two-thirds of those who collected extended benefits reported a drop in earnings compared to their prior jobs (on average, their earnings fell from $485 a week before they became unemployed to $391 a week). Almost half (47%) of those who collected extended benefits also reported a decrease in the hours they worked when they became reemployed. Finally, part-time work more than tripled for these workers: 7% worked part-time before they became unemployed, but 23% were employed in part-time jobs after they collected extended benefits and found work.

The Gaps in the Federal Extended Benefit Program

• Workers Start Exhausting their Federal Temporary Extended Benefits

In March 2002, after a prolonged Congressional debate, President Bush signed the Temporary Extended Unemployment Compensation (TEUC) program into law, with the program taking effect March 10 and terminating December 31. The program is divided into two phases. In Phase I, TEUC provides a maximum of 13 weeks of federally-funded extended benefits to workers in all states who exhaust their regular state UI benefits. In Phase II, workers in “high unemployment” states are entitled to collect an additional 13 weeks of extended benefits, totaling a maximum 26 weeks of TEUC.

Starting the week of June 9 (that is, 13 weeks after the TEUC program began), thousands of workers began exhausting their TEUC benefits. As of the week of June 1, over 1.4 million workers were collecting TEUC benefits (table 1).[8] Nearly 880,000 of these workers are expected to run out of their first round of federal extended benefits, based on state-by-state estimates prepared for this report. Meanwhile, by mid-July, only two states (Oregon and Washington) will qualify as high unemployment states eligible to receive another 13 weeks of TEUC (Phase II). Of those workers in the ten states with the highest rates of unemployment as of May 2002 (table 2), more than 313,000 will run out of all unemployment benefits in mid-July.

TABLE 1 State-by-state analysis of the unemployed collecting & exhausting the first 13 weeks of temporary extended unemployment compensation (TEUC)

State	Total TEUC Claims (Week Ending June 1, 2002) *	Percent Estimated to Find Employment Each Week	Projected Number of Workers Exhausting the First 13 Weeks of TEUC**
Alabama	20,608	5.2%	10,283
Alaska	3,537	3.4%	2,243
Arizona	13,922	3.7%	8,514
Arkansas	10,609	4.1%	6,122
California	145,160	3.3%	93,287
Colorado	13,078	3.3%	8,405
Connecticut	26,586	4.8%	8,405
D.C.	3,038	5.2%	1,516
Delaware	2,703	2.2%	2,034
Florida	81,988	2.9%	55,667
Georgia	n/a	3.8%	n/a
Hawaii	5,445	4.5%	2,997
Idaho	5,334	4.3%	3,017
Illinois	83,039	3.8%	50,511
Indiana	20,411	3.8%	12,348
Iowa	8,729	5.6%	4,104
Kansas	7,437	4.5%	4,094
Kentucky	17,000	5.7%	7,974
Louisiana	10,949	3.9%	6,514
Maine	3,518	4.6%	1,901
Maryland	16,098	4.3%	9,035
Massachusetts	53,595	3.7%	32,776
Michigan	68,749	4.8%	36,508
Minnesota	19,895	4.2%	11,324
Mississippi	12,465	4.2%	7,139
Missouri	23,320	4.1%	13,538
Montana	2,325	4.2%	1,334
Nebraska	3,885	3.8%	2,341
Nevada	12,909	3.4%	8,276
New Hampshire	2,200	6.9%	869
New Jersey	79,337	2.4%	57,976
New Mexico	4,082	4.0%	2,391
New York	142,302	2.5%	102,615
North Carolina	36,154	5.0%	18,506
North Dakota	715	4.0%	423
Ohio	57,345	4.8%	30,127
Oklahoma	n/a	3.7%	n/a
Oregon	28,184	4.0%	16,554
Pennsylvania	86,309	4.6%	46,798
Rhode Island	5,209	3.9%	3,112
South Carolina	23,041	4.4%	12,849
South Dakota	615	8.0%	208
Tennessee	30,466	4.0%	17,921
Texas	85,881	1.5%	70,401
Utah	n/a	3.7%	n/a
Vermont	1,786	6.7%	721
Virginia	15,858	4.6%	8,613
Washington	43,587	4.1%	25,341
West Virginia	7,032	6.1%	3,121
Wisconsin	29,733	5.9%	13,495
Wyoming	636	5.5%	304
U.S. Totals	1,454,156	3.8%	883,332

* Refers to the number of TEUC "continued claims," which is the number of TEUC claimants who have been found eligible for benefits and are verifying their work search on a regular basis (available from the U.S. Department of Labor, Office of Workforce Security). Adjustments were made for California and Pennsylvania to account for fluctuations in weekly numbers due to the states' continued claim reporting requirements.

** EPI calculation. Calculates a state-specific likelihood of filing a continuing claim each week over a 13-week period. Likelihood of filing a continuing claim is based on state-specific exhaustion rate for the 1st quarter of 2002.

• Most High Unemployment States Fail to Qualify for Additional Extended Benefits

As described above, by mid-July, only two states will qualify for the second phase of TEUC, another extension of 13 weeks of benefits available to "high unemployment" states. This significant gap in coverage is the result of the restrictive definition of "high unemployment" adopted for the purposes of the TEUC program.

Rather than use the standard unemployment rate reported each month by the Bureau of Labor Statistics, the TEUC program adopted a measure that substantially underestimates long-term unemployment. The standard unemployment rate, called the "total unemployment rate" (TUR), is defined as the percentage of the labor force actively searching for work but without a job. In contrast, the TEUC program uses the "insured unemployment rate" (IUR), which measures the percent of workers collecting *regular* state unemployment benefits compared with all workers covered by the UI program. To qualify as a "high unemployment" state for another 13 weeks of TEUC, the state must have an IUR of at least 4%.

This definition of the IUR fails to measure the segment of the unemployed population that is currently growing the fastest — those unemployed longer than 26 weeks who are no longer collecting regular state benefits. As a result, the IUR is *declining* in high unemployment states, where more workers are long-term unemployed. This is consistent with the trend of the previous recessions as well. During good economic times, the IUR is typically 2-3% points lower than the TUR. However, during recessions, the difference between the IUR and the TUR increases to 4-6% points.

As illustrated in table 2, only two of the ten states with the highest regular unemployment rates in May qualified for an additional 13 weeks of TEUC. At the outset of the TEUC program as many as 10 states had IURs exceeding 4%, allowing them to qualify as "high unemployment" states. However, they have since fallen below the required rate in large part due to the growing ranks of the long-term unemployed. According to the TEUC law, after an initial period of being "on" for 13 weeks, a state will trigger off and benefits will no longer be available if the state's IUR drops below 4%.

Nine states (Alaska, Arkansas, California, Idaho, Massachusetts, Michigan, Nevada, Pennsylvania, and Wisconsin) saw their IUR drop below 4% though they previously qualified for the extra weeks of TEUC. This occurred just when most of the workers were about to exhaust their first 13 weeks of TEUC. Thus, very few workers eventually benefited from the program. By mid-July, New Jersey will drop off the program, leaving only Oregon and Washington state (table 2).

Fixing the Federal Extended Benefits Programs

As in previous recessions, rather than reform the permanent EB program, Congress enacted another temporary extension of unemployment benefits. But the problems described above significantly predate today's temporary extended benefits program. The TEUC trigger formula and several other restrictive TEUC provisions were adapted from the permanent Extended Benefit (EB) program. EB is an obsolete program that was intended to provide up to 13 weeks of additional UI benefits paid for equally by the

TABLE 2 Comparison of state unemployment rates with temporary extended unemployment compensation (TEUC) triggers

	Unemployment Rate May-02	TEUC Triggers: Unemployment Rate (TUR) 3-month avg.	TEUC Triggers: Unemployment Rate (IUR)* 30-Jun-02	"High Unemployment" States Qualifying for Up to 26 Weeks of TEUC TEUC (IUR Over 4%)	States With IUR equal to or above 3.5% or TUR equal to or above 6%
Oregon	7.3	7.6	4.35	X	X
Washington	7.1	7	4.47	X	X
North Carolina	6.8	6.8	2.73		X
Mississippi	6.6	6.8	2.5		X
District of Col	6.5	6.5	1.63		X
Louisiana	6.5	5.9	1.91		
California	6.3	6.4	3.73		X
Illinois	6.3	6.2	3.24		X
Michigan	6.2	6.1	3.42		X
Texas	6.2	6.1	2.16		X
West Virginia	6.2	6	2.66		X
New York	6.1	6	2.99		X
Alaska	6	6.3	5.29		X
New Mexico	6	6	2.24		X
Ohio	5.8	5.8	2.55		
Alabama	5.7	5.8	2.22		
Arizona	5.7	5.8	1.81		
Pennsylvania	5.7	5.5	3.73		X
South Carolina	5.5	5.8	3.77		X
Nevada	5.5	5.6	3.07		
New Jersey	5.4	5.5	3.39	X - ending July 13	
Utah	5.3	5.7	2.12		
Arkansas	5.3	5.3	3.21		
Kentucky	5.3	5.3	2.44		
Colorado	5.2	5.4	1.9		
Florida	5.1	5.2	1.71		
Idaho	5	5.2	3.4		
Indiana	5	5	2.15		
Tennessee	4.9	5.3	2.28		
Wisconsin	4.8	5.3	3.35		
Missouri	4.8	5.1	2.49		
Maryland	4.7	5.2	2.07		
Georgia	4.7	4.6	1.86		
Rhode Island	4.7	4.5	3.09		
Oklahoma	4.5	4.4	1.76		
Massachusetts	4.4	4.5	3.61		X
Kansas	4.3	4.4	2.14		
Wyoming	4.3	4.2	1.73		
Hawaii	4.2	4.4	2.42		
Minnesota	4.2	4.3	2.49		
New Hampshire	4.2	4.1	1.64		
Montana	4.1	4.4	2.75		
Virginia	4.1	4.3	1.57		
Delaware	4.1	4	2.11		
Vermont	4	3.9	2.94		
Maine	3.7	3.9	2.42		
Connecticut	3.7	3.7	3.04		
Nebraska	3.7	3.7	1.43		
Iowa	3.5	3.5	2.09		
North Dakota	3.5	3.4	1.46		
South Dakota	3	3.2	0.95		

* Refers to 13-week average IUR (i.e., the number of unemployed receiving UI as a percentage of all those covered by UI in the states) published weekly by the U.S. Department of Labor, Office of Workforce Security.

BOLD - indicates states that previously triggered on for Phase II TEUC benefits but have subsequently triggered off the program.

states and the federal government.[9] To qualify for EB, a state must have an IUR of at least 5% (versus 4% for TEUC), a rate that none of the states now attains despite the recession.

Because of the flaws in the EB program, Congress created a bi-partisan commission during the last recession to consider reform of the federal law. With appointments made by Presidents Bush and Clinton, the Advisory Council on Unemployment Compensation (ACUC) strongly recommended "prompt" reform of the EB program to address the trigger formula and other onerous restrictions. Drawing in part on the proposals of the ACUC and other authorities, we have identified the following specific reforms to the federal extended benefits programs.

• Reform the Formula Designating "High Unemployment" States that Qualify for Additional TEUC

The ACUC recommended that the EB program adopt a trigger formula for "high unemployment" states based on the standard unemployment rate, not the "insured" unemployment rate.[10] Similarly, we recommend that the TEUC program abandon the IUR as the exclusive trigger for additional federal benefits. Instead of the current trigger mechanism, a 6% standard unemployment rate *and* a reformed IUR that counts both those collecting regular state unemployment benefits and those collecting extended benefits should be used. If a state qualified under either of these provisions, TEUC Phase II would be turned on in that state. The extension program of the early 1990s used an "adjusted" IUR (AIUR) which similarly counted all those who collected extended benefits. Applying a TUR of 6%, 13 states would currently qualify for an additional 13 weeks of TEUC as of May, and several more would likely qualify using an AIUR of 4%.

• Repeal the Restrictive Eligibility Standards Incorporated from the EB Program to TEUC.

In addition to the trigger formula, the TEUC program incorporated several eligibility restrictions from the EB program that should be repealed.

As under the EB program, a worker must have worked at least 20 weeks to qualify for TEUC. This requirement exceeds the eligibility rules in at least 13 states. Thus, thousands of workers qualify for regular state benefits but fail to receive the federal extension due to the EB eligibility rules, disproportionately including many low-wage workers and more recent entrants to the labor market. This provision should be repealed, and state eligibility rules should be applied in the same manner to TEUC as they apply to regular state benefits.

• Repeal the EB Restrictions on the Duration of TEUC Benefits

Workers qualifying for TEUC are not automatically entitled to a maximum of 13 weeks of extended benefits. Instead, based on the EB law, TEUC is limited to the *lesser* of 13 weeks or *half* the number of weeks for which a worker was eligible under his regular state UI program. This narrow federal rule exacerbates inequities between and within states. This rule penalizes lower income workers in states that provide fewer than 26 weeks of benefits due to weekly duration formulas. Because of the federal law, 38% of workers will qualify for less than 13 weeks of TEUC, and in 19 states more than half of all the unemployed will collect less than 13 weeks of federal extended benefits.[11]

• Extend the TEUC Program and Reform the EB Program

As described above, all indications are that long-term unemployment is likely to last well into next year. Thus, the TEUC program should be extended significantly beyond the December deadline. In addition, as recommended by the Advisory Council on Unemployment Compensation (ACUC), the EB program should be reformed to create an effective *permanent* extension program. With a more effective permanent extended benefits program on the books, workers and the economy will be far better prepared to absorb recessions without relying on the vagaries of the political process to reach consensus on a temporary extension far into a recession.

Thus, the reforms proposed above as applied to the TEUC program, including the reformed trigger formula and the elimination of the restrictive federal eligibility rules, should be applied as well to the EB program. As part of a larger, controversial package of UI reforms, President Bush has proposed to reform the EB program by reducing the IUR trigger from 5% to 4%. This proposal does not address the fact that the long-term unemployed are not counted in the formula, and it does not follow the recommendation of the ACUC that the standard unemployment rate should be adopted as a measure to trigger federal extended benefits. If the Administration's proposal were current law, only two states would qualify for additional extended benefits as of mid-July.

Conclusion

This analysis presents a picture of the jobless situation indicating that long-term unemployment has reached record levels which will persist well into next year. Meanwhile, it is equally clear that the federal extended benefit programs are failing to respond to the needs of the long-term unemployed, because of specific gaps in the federal laws. This reality contrasts with the situation portrayed by the Administration, that it is "premature" to consider reform of the extended benefits programs because the circumstances are not sufficiently "unusual" to require policy fixes. Given the urgent situation described above, policy makers should revisit the law and address the short-term and long-term gaps in the federal extended benefits programs.

Endnotes

1. At a June 11th Congressional hearing held before the House Ways and Means Committee, Subcommittee on Human Resources, the Deputy Secretary of Labor, Cameron Findlay, was questioned about the need to reform the federal program to provide additional unemployment benefits to workers in high unemployment states. Mr. Findlay responded that, "It's premature to make that decision," and elaborated by stating that, "The unusual circumstances to do that right now do not exist." "DOL Official Calls Extended Cash , Assistance for Unemployed 'Premature'" *Daily Labor Report* (June 12, 2002).

2. Chart 2 indicates the percentage of the unemployed who have been jobless for more than 26 weeks. This is measured against the number of months after a business cycle peak.

3. Robert Hall, the chairman of the NBER (National Bureau of Economic Research) committee that designates when recessions and recoveries begin and end, recently concluded that the economy has "regained almost none of the lost jobs; we are still very stalled." In addition, Hall stated, "I have not heard the phrase jobless recovery applied yet to our current experience but it is very much to the point." Louis Uchitelle, "Job Cuts Take Heavy Toll on Telecom Industry," *New York Times* (June 29, 2002).

4. "Economy Loses Steam After 1st Hot Quarter," *San Francisco Chronicle* (June 28, 2002). The National Bureau of Economic Research defines a recession as "a period of significant decline in total output, income, employment, and trade, usually lasting from six months to a year and marked by widespread contractions in many sectors of the economy". As of this writing the NBER has not officially called an end to the recession that began in March 2001.

5. Pew Research Center, *Domestic Concerns Will Vie with Terrorism in Fall: Criticisms of Bush and Congress As Job Worries Increase* (July 3, 2002).

6. Corson, Needels, Nicholson, *Emergency Unemployment Compensation: The 1990s Experience* (Mathematica Policy Research Inc., Revised January 1999).

7. Id. at 87.

8. This figure underestimates the total number of workers who have participated in the program because it measures those currently collecting TEUC (that is "continued claims"), not those who have also left the program or exhausted their benefits. Monthly data tracking the total number of workers collecting TEUC and those exhausting their benefits is not currently available from the U.S. Department of Labor, Office of Workforce Security due to the limitations of the state reports.

9. The EB program was enacted in the 1970s, but amended in 1981 to significantly restrict the program. For example, in 1981, the "insured unemployment rate" was adopted as the trigger mechanism, the national trigger allowing all states to qualify for EB was repealed, and a number of strict eligibility rules were adopted exceeding the requirements of many states.

10. ACUC *Findings*, at p. 4.

11. The 'Jobless Recovery' & the Gaps in the Federal Unemployment Insurance Safety Net. (2002). National Employment Law Project. Maurice Emsellem. Table 1.