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NELP: RECKLESS HOUSE PROPOSAL CUTS FEDERAL UNEMPLOYMENT INSURANCE BY MORE THAN HALF

Washington, DC – A bill introduced Friday by Rep. Dave Camp (R-Mich.) would force new extremes of economic insecurity on unemployed Americans and impose a major setback to the economy recovery, the National Employment Law Project said today. The proposal, H.R. 3630, cuts federal unemployment insurance benefits by 40 weeks in 2012 – more than half the maximum 73 weeks available under the current federal programs, which are scheduled to expire December 31st. The cuts would be particularly egregious in states like California, Florida, Ohio and Michigan, where unemployment levels remain at record highs.

“This proposal is reckless and irresponsible,” said Christine **Owens, Executive Director of the National Employment Law Project**. “It dismantles the one program Americans can turn to when they are laid off through no fault of their own. We are still very much in the thick of a jobs crisis. To jobseekers and states hit hard by long-term unemployment, this proposal offers a cold and cynical shrug. Anyone serious about helping workers and businesses get going again needs to know that this is neither a serious nor acceptable way forward.”

Federal unemployment insurance programs currently provide 34 to 73 weeks of assistance to unemployed workers in every state, depending on the state’s unemployment rate, after workers exhaust state unemployment insurance. Representative Camp’s proposal would cut **Tier II** of the federal assistance (14 weeks available to workers in every state) as well as **Tier IV** (six weeks available to states with high unemployment). The proposal would also allow the last leg of the federal unemployment insurance extension – the 13 to 20 weeks of **Extended Benefits** in the hardest-hit states – to expire. As a result, states with the highest unemployment, including Representative Camp’s home state of Michigan, would face a triple-whammy of cuts to three different pieces of the federal programs.

“This is a draconian proposal for anyone who is or might become long-term unemployed, but it is particularly cruel for those who have been unemployed the longest, and reside in the states that have been hit the hardest,” said Owens.

Additional aspects of the Camp bill would deny unemployment benefits to workers who are not high school graduates or enrolled in GED programs, and would allow states to start drug-testing every applicant for unemployment insurance. A NELP analysis of the impacts of specific proposals on workers and states is forthcoming next week.

“Instead of trying to pretend that drug use has something to do with the high rates of unemployment, and wasting precious state and federal resources on this mean-spirited, red-herring of a proposal, Congress should be thinking about how to shore up the UI safety net as the holidays and New Year approach,” Owens said.

“Congress has never cut federally-funded unemployment insurance when unemployment was this high for this long. This bill imposes unprecedented cuts.” The highest unemployment rate when federal benefits were cut by Congress was in 1985, at 7.2 percent, while unemployment currently stands at 8.6 percent and is expected to remain high throughout 2012.

NELP [estimates](#) that nearly two million Americans will lose access to federal unemployment programs in January alone if Congress fails to renew them, and six million will be cut off over the course of next year. The [Emergency Unemployment Compensation Extension Act](#) would renew federal unemployment insurance programs through 2012.

“Let’s get one thing straight: the unemployed can’t find jobs because the jobs aren’t there—not because they are not looking or are unwilling to accept pay cuts or relocate,” said Owens. “These proposals that cut assistance and inherently blame the unemployed when there are more than four jobless workers for every opening are outrageous. We are just three weeks away from the expiration of a federal program that millions of Americans rely on merely to stay afloat in this abysmal economy. Congress needs to step it up with real proposals to create good-paying jobs and reauthorize the unemployment insurance programs through 2012. Otherwise, millions of workers and their families will be left in the dust.”

Of the 13.3 million officially unemployed workers [last month](#), 43 percent, nearly six million, had been unemployed for six months or longer. The average duration of unemployment climbed to 40.9 weeks – a record high – and 315,000 people also dropped out of the labor force last month, reflecting continued worker discouragement.

On Thursday, Owens [testified to Congress](#) on the chief reasons unemployed Americans are not going back to work, which included 1) the inadequacy of jobs, 2) the exclusion of the unemployed from job openings, 3) the increased use of credit checks to screen candidates and 4) intangible factors including the social isolation, depression and anxiety that often accompany long-term unemployment, as well as the lack of tools, like transportation and computers, necessary to reenter the workforce.

The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. For more about NELP, visit www.nelp.org.

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