For Immediate Release: September 6, 2012 Contact: Nick Sifuentes, 310-866-1692, nick@berlinrosen.com

## Report: Record Numbers of Long-Term Jobless Reach End of Unemployment Benefits; Action Plan Essential as Families of Unemployed Face Financial Cliff

New York—More than six million long-term unemployed have already reached the end of their jobless benefits. Unless Congress acts before the end of the year, two million more jobless face an immediate cut-off from the only remaining federal unemployment insurance program at the end of December

It's a crisis of enormous proportions, and a new <u>report</u> from the National Employment Law Project says that *now* is the time for local, state, and federal officials to closely coordinate so that unemployed workers and their families who have no other means of support will not slip through the cracks in the social safety net and plummet into poverty.

"Unemployment insurance has been a vital lifeline for millions of unemployed workers, helping them meet their families' basic needs while they search for work," said **Christine Owens, executive director of the National Employment Law Project**. "But thanks to the prolonged jobs crisis and recent cuts to unemployment insurance programs, millions are left without any jobless aid. Many of those families will not have other means of support, so it's absolutely critical that local, state, and federal agencies work together to make sure that these families get the help they need."

The report, When Unemployment Insurance Runs Out: An Action Plan to Help America's Long-Term Unemployed, highlights best practices from around the nation, and shows how some states, including Connecticut, Maine, Pennsylvania, and Washington, have reached out directly to workers who face the end of their unemployment benefits and connected them with social services and reemployment services (including job training, subsidized job programs, Supplemental Nutrition Assistance Program [SNAP benefits], mortgage assistance, protection against abusive creditors, and other available assistance).

As documented in the report, massive waves of workers are reaching the end of their jobless benefits without finding work, yet only a small percentage of these workers have accessed SNAP and other safety net programs. These numbers will continue to climb as the maximum weeks of federally funded benefits are <u>scaled down</u> again this month (to a maximum of 47 weeks in the states with the highest unemployment rates), and unless it is reauthorized by Congress, the Emergency Unemployment Compensation (EUC) program shuts down altogether at the end of the year.

The report calls on the federal government to elevate and prioritize the cause of those families reaching the end of their jobless benefits by maximizing the flexibility available under federally funded programs to promote access to subsidized jobs, food stamps, mortgage assistance, and other safety net programs. But the report calls on the federal authorities to do more—to lead a coordinated federal response, working closely with state partners as well as the nonprofit and private sectors, that maximizes access to targeted programs and benefits for this hard-hit population. The report identifies the key elements of an action plan that includes the following steps:

 Pursue Job Creation Strategies: With federal support, states should pursue direct job creation strategies, including specialized programs (such as those in Connecticut and Mississippi) that help put the long-term unemployed back to work.

- Target Outreach to Workers Exhausting Unemployment Benefits: State unemployment agencies should reach out to their counterpart social services agencies to immediately identify and target those workers exhausting unemployment insurance, then set up a "rapid response" process to deliver information on the various social services available in the state, including SNAP, Medicaid, mortgage assistance, and other safety net programs.
- Track Workers Exhausting Unemployment Benefits: Following the lead of Washington, Connecticut, Nevada, and Pennsylvania, the states should actively track and report data on the number of people reaching the end of their unemployment benefits while also surveying their demographic and reemployment characteristics and their rates of access to SNAP and other safety net programs. The U.S. Department of Labor and the Department of Health and Human Services should require reporting of this information to ensure full participation.
- Maximize Coordination Across State and Local Agencies: As exemplified by the Connecticut model, states
  should take advantage of the opportunity presented by the situation and break down the silos that often
  exist between the state unemployment and social services agencies to develop a joint action plan that
  maximizes and delivers a broad range of services and benefits to workers and their families exhausting their
  unemployment benefits.
- Maximize Access to Income Support and Basic Needs Programs: With the help of federal agencies, including the Departments of Labor, Agriculture and Health and Human Services, states should make use of their administrative flexibility to facilitate and increase access to SNAP, federal "needs-based payments" for workers in training, Medicaid, and mortgage assistance to workers reaching the end of their unemployment benefits.
- Minimize Barriers to Re-employment: States should enforce and expand state laws to remove barriers to
  re-employment by limiting the unfair use of credit checks in employment and prohibiting discrimination
  against the unemployed in hiring.

Long-term unemployment remains near record levels. Out of 12.8 million Americans still unemployed, more than 4 in 10 have been looking for work for six months or longer; nearly 3 in 10 have been looking for work for over a year. The average unemployed worker is jobless for around 39 weeks—far longer than the 26 weeks of jobless aid offered by most states. Many are stretched to the limit financially, having tapped into their savings, retirement, and any other limited resources once available to them.

"To adequately respond to the current crisis of long-term unemployment, there can be no substitute for an aggressive national job creation agenda," said **Owens**. "That requires a serious commitment of federal resources—a commitment that the current Congress has been unwilling to muster. In the meantime, state and federal officials cannot ignore the harsh realities facing the families of long-term unemployed workers who are showing up at food pantries and shelters in desperate need of help. To prevent further hardship, Congress must reauthorize the federal program of jobless benefits without delay."

To download the full report, click <u>here</u>.

To download only the executive summary, click <u>here</u>.

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 <a href="https://www.nelp.org">www.nelp.org</a>.

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