



# Fact Sheet

BYRON L. DORGAN  
CHAIRMAN

DPC Staff Contact: Holly Teliska (202) 224-3232

DPC Press Contact: Barry Piatt (202) 224-0577

Available Online: [dpc.senate.gov](http://dpc.senate.gov)

November 30, 2010

## Unemployment Insurance Supports Americans Looking for Work and Strengthens Our Economy

On November 30, federal unemployment insurance benefits are set to expire. Without reauthorization, more than 2 million Americans will lose eligibility for these critical benefits by the end of December.<sup>1</sup> These temporary benefits provide millions of jobless Americans with a portion of their former wages while they look for work, helping American families buy groceries and pay rent. The benefits also boost our economy by supporting important consumer spending that businesses depend on to keep employees on the payroll. Despite the critical importance of federal unemployment insurance to American families and the economy, Republicans continue to oppose a timely reauthorization of these benefits. Senate Democrats understand the hardship that millions of families experienced this summer when Republican obstruction allowed the benefits to lapse for 51 days. That is why we will continue fighting to ensure that Americans who lost their jobs through no fault of their own receive the support their families need in such challenging economic times.

It would be devastating to end these benefits for hard working Americans. The national unemployment rate continues to be unacceptably high at 9.6 percent and economists predict that growth will remain slow over the next year. Unemployment benefits are essential to building a stronger economy. The Department of Labor estimates that every dollar spent on unemployment benefits may boost the economy by almost \$2.00.<sup>2</sup> The loss of federal benefits would be especially harmful to businesses this holiday season. Republicans cannot fight for tax cuts for the rich while ignoring the critical needs of millions of Americans looking for work. The need to extend these temporary benefits is urgent.

Today, nearly 5 million Americans receive federal unemployment benefits and an estimated 9 million Americans have relied on these benefits at some point this year.<sup>3</sup> The benefits have been a lifeline for millions more since 2008 when federal benefits were first extended to workers who lost a job through no fault of their own. Currently, individuals who exhaust state-funded benefits are eligible for additional weeks of federally funded benefits through the temporary Emergency Unemployment Compensation (EUC) program and the permanent Extended Benefits (EB) program. When combined with state benefits, individuals may be eligible for up to 99 weeks of unemployment compensation. If the programs are not reauthorized, Americans around the country will feel the impact of the lapsed benefits this holiday season. Families will

struggle to provide necessities for their families and businesses will see sales decline. We cannot allow the benefits to lapse for a fourth time this year due to Republican political posturing.

## Michigan

**In Michigan, these federal benefits are especially important.** The unemployment rate in Michigan is 12.8 percent.<sup>4</sup> Roughly 91,700 Michiganders will be impacted if the benefits expire in December.<sup>5</sup> This means that nearly 92,000 families will become ineligible for these critical federal benefits during the holiday season. Approximately 12,500 job seekers in Michigan exhaust their regular state benefits each month and depend on federal benefits to support their families.<sup>6</sup> If the federal benefits are not reauthorized, Michiganders will only be eligible for 26 weeks of state-funded unemployment benefits.<sup>7</sup>

At the same time, there are not enough job openings for these Michiganders. The number of job seekers still far exceeds the number of job openings, with nearly five job seekers for every one job available nationally. Long-term unemployment is at a historic high. Roughly 40 percent of the unemployed have been unemployed for 27 or more weeks.<sup>8</sup> The average length of unemployment is nearly 34 weeks.<sup>9</sup> Cutting off federal unemployment benefits will hurt Michigan families and undermine the state's economic recovery.

## Michigan by the Numbers

12.8%: Unemployment rate in Michigan

619,000: Michiganders looking for employment

26: Weeks of state unemployment benefits in Michigan

91,700: Michiganders who will lose eligibility for federal benefits in December if the federal benefits expire prematurely

12,500: Michiganders who exhaust state benefits each month and would benefit from a reauthorization of the federal program

## Endnotes

<sup>1</sup> National Employment Law Project, Understanding the Cut-off of Federal Unemployment Benefits, available [here](#).

<sup>2</sup> Department of Labor, *The Role of Unemployment Insurance as an Economic Stabilizer During a Recession* (Report produced by IMPAQ International, Inc), available [here](#).

<sup>3</sup> National Employment Law Project, *How Federal Unemployment Insurance (UI) Extensions Work*, available [here](#).

<sup>4</sup> Bureau of Labor Statistics, Civilian Labor Force and Unemployment by State, available [here](#).

<sup>5</sup> Center on Budget and Policy Priorities, on file with the Democratic Policy Committee.

<sup>6</sup> Center on Budget and Policy Priorities, *Emergency Unemployment Insurance Benefits Remain Critical for the Economy*, available [here](#).

<sup>7</sup> Id.

<sup>8</sup> Bureau of Labor Statistics, Unemployment in October 2010, available [here](#).

<sup>9</sup> Bureau of Labor Statistics, Unemployed persons by duration of employment, available [here](#).