

**Congress of the United States**  
**U.S. House of Representatives**  
**COMMITTEE ON WAYS AND MEANS**

WASHINGTON, DC 20515

SUBCOMMITTEE ON HUMAN RESOURCES

March 11, 2004

***Accuracy Alert #1 on Extending Unemployment Benefits:***  
**The True Number of Unemployed is Masked by the Increasing**  
**Number of People Who Have Given Up Looking for Work**

Dear Democratic Colleague:

Over the last few months, you may have heard a number of dubious claims about why jobless workers do not need an extension of unemployment benefits. One such contention is that the labor market is getting better. However, a wealth of data contradicts this assertion.

While the unemployment rate has declined modestly since the middle of last year, so has the relative size of the labor force (the percentage of working-age Americans either working or actively looking for work hit a 15-year low in February). This means the unemployment rate has declined because more people have given up looking for work (and therefore no longer count as unemployed), not because more people are finding jobs. In fact, the Economic Policy Institute estimates the unemployment rate would increase from 5.6% to 7.4% if you account for the decline in the labor force since early 2001.

Other data confirm the ongoing difficulty many of the unemployed are having in finding a job. The number of long-term unemployed (without work for six months or longer) remains at the same level today as it was a year ago (nearly two million, which is almost three times higher than the level in January 2001). Furthermore, exhaustion rates for regular unemployment compensation continue at near record levels. And finally, the economy created only 21,000 new jobs last month (all in state government) – nowhere near enough to keep pace with the growth in the working age population, let alone make a dent in the 2.2 million jobs lost since President Bush came to office.

Over the next few days, I will send out additional responses to other excuses used to defend the Republican leadership's decision to allow the Temporary Extended Unemployment Compensation Program to expire at the end of last year.

Sincerely,



Benjamin L. Cardin  
Ranking Member