

Congress of the United States
U.S. House of Representatives
COMMITTEE ON WAYS AND MEANS
WASHINGTON, DC 20515

SUBCOMMITTEE ON HUMAN RESOURCES

March 15, 2004

Accuracy Alert #3 on Extending Unemployment Benefits:
Past Unemployment Extensions Expired
Only After A Full Job Recovery

Dear Democratic Colleague:

You may have heard opponents of extending unemployment benefits suggest that temporary extended benefit programs have expired in the past when the unemployment rate was higher than it is today. While technically true (see accuracy alert #1 on why the unemployment rate is artificially low), it ignores the fact that new jobs were created much more quickly at the end of those recessions compared to today. For example, the extended unemployment benefits program in the early 1990s did not end until the economy had created 2.9 million new jobs compared to pre-recession levels. Today, the economy has 2.4 million *fewer* jobs compared to pre-recession levels.

This means of course the unemployed have much more limited job prospects than in the past. Consider for a moment that over the last three years the working age population has grown by 4.8 million, while the number of jobs has shrunk by 2.4 million – leaving unemployed workers facing a jobs deficit of 7.2 million. It is no wonder that exhaustion rates for regular unemployment compensation (the percentage of people running out of benefits without finding work) have hit record levels.

The simple truth is that Congress has done much better by the unemployed in the past than we have today. The program in the early 1990s was both more generous and longer lasting than the recently expired extended benefits program. We should rectify this mistake and extend unemployment benefits for workers who have lost their jobs through no fault of their own.

Sincerely,



Benjamin L. Cardin
Ranking Member