

Time is up for the long-term unemployed. What now?

On Saturday, 1.3 million Americans who have been out of work for six months or longer will stop receiving unemployment benefits

By <u>Carmel Lobello</u>

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The long term unemployed are going to have a rough start to 2014.

On Saturday, <u>1.3 million Americans</u> who have been out of work for six or more months will stop receiving extended emergency federal benefits — the result of a compromise struck earlier this month for the federal budget agreement.

The emergency extension, which George W. Bush first passed during financial crisis of 2008 as the unemployment rate started to rise, has been extended 11 consecutive times, allowing some people to receive benefits for 99 weeks in a row. This will be the first break in benefits.

Those opposing the extension argue that the U.S. economy grew stronger in 2013, and that the unemployment rate has dropped to where the U.S. is no longer in a state of emergency. "These are called emergency benefits," <a href="Chris Edwards of the Cato Institute told USA Today.">Chris Edwards of the Cato Institute told USA Today.</a> "The U.S. economy has been out of recession for over four years."

But advocates of the unemployed say no one wins from the cuts. The long term unemployed are in a particularly tough spot, because employers tend to view them as unemployable, <u>said a recent White House report</u>. Those who have been unemployed for five weeks or less have a one-in-three chance of finding a job, while those who have been unemployed for over a year have just a one-in-10 chance, said the report.

But they're not the only ones who could suffer. Some economists say that cutting back unemployment benefits could damage the economy overall. The \$25 billion in aid checks tend to go directly back into the economy, as the unemployed buy food and necessities to stay afloat.

But on a more personal level, the early weeks of 2014 could have a profound impact on those losing aid. Congress will likely vote on whether to renew the program early in the year, and House Speaker John Boehner (R-Ohio) has said he would support an extension as long as Congress found ways to offset the \$25 billion in annual costs. So, for those receiving benefits, the best case scenario would mean several weeks without checks, the average of which are \$300.

Campaign for America's Future expects cities across the U.S. to see the impact in a matter of weeks:

"There are people who are going to lose their homes over this," said Judy Conti of the National Employment Law Project. That's not hyperbole: After six [or] nine [months], or sometimes more than a year without a permanent job, most of these 1.3 million people now collecting extended unemployment benefits have exhausted their savings, and sometimes what they can get from relatives and friends as well.

Conti said that starting on December 28, after the last checks go out under this program, we are going to see an uptick in people showing up at homeless shelters and food banks – during what is shaping up to be a particularly harsh winter in much of the country. "It's not pretty," she said. [Campaign for America's Future]