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Once a priority, unemployment benefits push loses steam

The Senate is scheduled to take a test vote Monday on a temporary extension of unemployment benefits to over one million jobless Americans, but backers of the measure may not have enough support to bring the bill...

By Jacqueline Klimas

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It dominated the Democrats' political attacks in December and early this year, but the push to extend unemployment benefits has faded as deadlines have been missed and the overall jobless rate has tumbled.

The extension that passed the <u>Senate</u> earlier this year only envisioned new benefits through May 31, and that deadline passes this weekend without any action in the House, putting the issue back in limbo.

"I think this issue is dead for now," said Chris Edwards, editor of DownsizingGovernment.org at the Cato Institute. "I would say sometimes in Washington gridlock is good. In my view, this is an example where gridlock is good because it has saved taxpayer money."

The authors of the **Senate** bill insist they aren't giving up.

<u>Sen. Dean Heller</u>, the Nevada Republican who broke with a majority of his <u>GOP</u> colleagues to support the extension, will continue to "work on a path forward" for the legislation, a spokesman said.

"<u>Senator Heller</u> is working with [Rhode Island Democratic Sen. Jack] Reed to explore all viable options in order to get this legislation done, and they continue to discuss a wide variety of ideas," said Chandler Smith, a spokesperson for <u>Mr. Heller</u>.

White House spokesman Jay Carney said President Obama also hasn't given up, despite strong Republican opposition in the House.

Mr. Obama "believes that Congress ought to act, and he hopes they do," Mr. Carney said.

But Republicans have so far shown no signs of bending.

Part of the Democrats' problem in rallying support is that relatively few people are affected by the situation. Backers say about 3 million workers have seen their long-term federal benefits expire since late December, when the previous extension ran out.

Republicans argue that those Americans would prefer to have a job, not a government check.

House Speaker John A. Boehner has said he would only consider a plan that included job creation measures, and that the <u>Senate</u> plan didn't fit the bill. A spokesman for the Ohio Republican said his views have not changed, despite pressure from Democrats.

And some analysts said the falling unemployment rate has removed the urgency of the problem.

"One of the reasons there's been so little momentum has been the rather sharp drop in the unemployment rate over the last year. While the economy certainly isn't out of the woods, the unemployment situation has improved substantially," said James Sherk, a senior policy analyst in labor economics at the Heritage Foundation. "For a lot of people, it doesn't seem as pressing as when unemployment was at 10 percent."

The unemployment rate in April was 6.3 percent, down from 6.7 percent just a month earlier in March and 7.5 percent in April 2013.

Despite a shrinking population of unemployed Americans, Chad Stone, chief economist at the Center for Budget and Policy Priorities, said the emergency benefits are still warranted because of factors such as the high percentage of long-term unemployed, decreased participation in the labor market and people only being able to get part-time jobs when they'd like to be working full time.

Even the unemployment numbers alone still suggest a need for the insurance, he said, since the percentage of the workforce who are unemployed long term is still much higher than when emergency benefits were allowed to expire in the past.

It wasn't easy for the extension to pass the <u>Senate</u> the first time, when the unemployment rate was higher, and it's unclear if <u>Mr. Heller</u> and Mr. Reed could get a plan to pass the upper chamber again. It took more than three months and three failed attempts before the final proposal earned enough support to overcome a <u>GOP</u>-led filibuster.

In addition to drumming up the support needed to pass another bill, senators would also need to figure out how to pay for a new extension that may cost even more than the original bill — something they struggled with the first time around.