

# Los Angeles Times

## Jobs report could push Congress on unemployment aid

By Lisa Mascaro

January 10, 2014

WASHINGTON -- Friday's weak jobs report could provide momentum in Congress for extending unemployment insurance, despite the continued objections of most Republicans who believe that government intervention distorts the market and provides a disincentive to work.

Democratic leaders seized on the disappointing jobs numbers as the Senate prepares to try again on Monday to advance legislation that would provide unemployment aid to more than 1.3 million out-of-work Americans whose benefits have run out.

A handful of Republicans are needed to push the stalled bill forward, and senators from economically hard-hit states, particularly in the Midwest and Northeast, may be especially sensitive to Friday's showing.

The unemployment rate dipped to 6.7% in December, a five-year low, but that's largely because many Americans have simply dropped out of the labor market and are no longer included in the government estimate.

"Today's report shows why Republicans must join with Democrats to immediately extend emergency unemployment insurance," said Senate Majority Leader Harry Reid (D-Nev.). "The economy is improving for some, but thousands of Americans in Nevada and across the country still cannot find work no matter how hard they try."

Democrats brokered a proposal this week that would extend benefits by meeting the GOP demand that the costs be paid for with cuts elsewhere. But Republicans panned the effort because it relies primarily on budget reductions that will occur more than a decade from now to pay for benefits today. Extending aid through mid-November, as proposed, would cost \$26 billion.

Top Republican leaders Friday made little mention of the unemployment insurance package that is now awaiting action in the Senate.

Instead, Republican leaders preferred to focus on legislation they believe could boost the economy and create needed jobs.

Speaker John A. Boehner pointed to a list of GOP-passed House bills, which include those to roll back federal environmental regulations and workplace safety laws, that Republicans have argued would free up businesses to expand and hire. Those bills, and others to undo President Obama's healthcare law, have largely been ignored by the Senate, where Democrats have the majority.

"Today's disappointing report shows, once again, that the president's policies are failing too many Americans," Boehner said. "The longer Senate Democrats stall these bills, the longer Americans will be waiting to find the new job they need and deserve."

Other Republicans argued that continuing jobless aid makes matters worse.

"The unemployed need a strong job market, not endless handouts that create dependency," wrote Sen. Rand Paul (R-Ky.), the influential tea party conservative, in an op-ed in Friday's USA Today, written with Dan Mitchell, a senior fellow at the libertarian Cato institute. "We should be having a debate about whether extending long-term unemployment benefits has consequences for the unemployed, the employed, and America's economy."

Last month, 1.3 million jobless Americans were cut off from benefits when long-term unemployment insurance expired. Another 72,000 jobless Americans each week are expected to lose coverage.

The federal aid kicks in after unemployed workers exhaust an initial 26 weeks of benefits provided by most states, and Congress has renewed the federal programs nearly a dozen times since the Great Recession.

Under the Senate proposal, the maximum 73 weeks allowed under the combined state and federal programs would be reduced to 57 weeks, a nod to Republicans' efforts to reform the program and encourage Americans to get back to work. Trimming the allowable weeks of benefits shaves \$8 billion off the \$26 billion price tag.

Additional savings would come from \$17 billion in future cuts as well as \$1 billion from cutting back jobless benefits for those who already receive Social Security disability insurance, drawing from a Republican proposal that was also supported by the White House.