

Finding work difficult for jobless

BY BRIAN WILKINS • December 12, 2010

The current flat economy has created a new breed of unemployed citizens who can't find work no matter how hard they try.

They would have their unemployment benefits cease if Congress does not extend them, which could happen soon because Senate Republicans cut a deal last week with President Obama that included extending the Bush-era tax cuts.

While many deficit hawks are against the 13 month extension, many economists see it as a good idea. The Economy Policy Institute has stated that "extending unemployment insurance through 2011 could save 488,000 payroll jobs."

The long-term benefits will have a net positive effect greater than the estimated \$65¤billion it will cost to extend the unemployment checks. That's because the money gets spent on goods and services, which is good for the economy. This multiplier effect is felt throughout the economy because the unemployed would be able to pay for food, rent and other services that businesses rely on consumers to use. The nonpartisan Congressional Budget Office

believes that extending the benefits is the most efficient way to create new jobs, saying it would "increase GDP by an estimated \$104.7 billion." Michael Tanner of the Cato Institute thinks extending jobless benefits causes workers to be "less likely to look for work, or accept less-than-ideal jobs, as long as they are protected from the full consequences of being unemployed." He neglects this fact: The Department of Labor says there are currently six people looking for every one available job, which shows the difficult odds the

Here's another fact: Sustained high unemployment — which has now been more than 9¤percent for 19 ¤months — is the worst since the Great Depression. As a result, About 15¤million Americans are without a job.

unemployed face in finding new work.

Unemployment benefits also vary from state to state, meaning people can receive benefits longer in one place and not in another.

For millions, the checks are nothing less than a

lifeline to keep food on the table and a roof over their heads.

That's why Congress should extend the unemployment benefits into 2011.

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