Congress' To-Do List Includes Unemployment Help

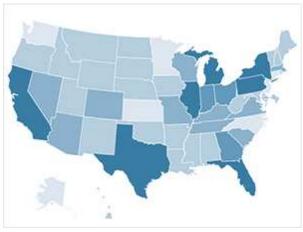
by AUDIE CORNISH

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Lawmakers have a long list of items to take up in their lame-duck session, and one of the things they could tackle is a federal program extending unemployment benefits for millions of laid-off workers. The money runs out at the end of November.

If lawmakers don't extend those unemployment benefits, millions of people will lose their checks over the next few months.

The program funds jobless benefits beyond the 26 weeks that states normally provide. In states with the highest unemployment rates, workers are eligible for more than a year and a half of benefits.



Map: A Closer Look At An Unemployment Benefits Lapse

enough," Tanner says.

Just after the midterm elections earlier this month, President Obama urged Congress to extend the benefits. "I think it makes sense for us to extend unemployment insurance because there are still a lot of folks out there hurting," Obama said. "So there are some things we can do right now that will help sustain the recovery and advance it."

Lawmakers have voted more than half a dozen times in the past two years to extend the program. And that's a problem, says Michael Tanner, senior fellow at the libertarian Cato Institute.

"There may also be a certain amount of unemployment benefit fatigue — that we have had this debate for so long, we have had extensions of the benefits before — and I think there becomes some point at which lawmakers begin to say when is enough

This past summer Senate Minority Leader Mitch McConnell (R-KY) led many Republicans in calling for spending offsets to pay for the bill. "If Democrats were as concerned about passing this bill as they say they are, they'd find a way to do it without adding to the debt. After all there is no law that says we are required to exacerbate one crisis in an effort to alleviate another," McConnell says.

The debate over unemployment benefits is now sandwiched between an empowered GOP mandating spending cuts and the president's bipartisan fiscal commission laying out the need for, among other things, massive cuts to bring down the deficit.

"It's going to be a situation that crystallizes the debate over what do you need to do to stimulate the economy in the short run and does that interfere with deficit reduction in the long run and it doesn't," says Chad Stone, chief economist at the liberal Center on Budget and Policy Priorities.

Stone says the debate over offsets will be long and highly politicized — and it could leave up to 2 million Americans empty-handed during the holiday spending season. He says that doesn't make economic sense.

"An offset is either a tax increase or a spending cut somewhere else in the budget that takes purchasing

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power out of the economy at the same time that the unemployment insurance benefits are putting purchasing power into the economy," Stone says. "And so you're on the one hand stepping on the accelerator to try to get the economy moving and on the other hand you're stepping on the brake to try and stop it."

The perennial hand-wringing over extending the unemployment program hasn't left much room for discussion of how to make it more efficient or less costly, says conservative economist Kevin Hassett of the American Enterprise Institute.

Hassett says the emergency benefits program should be reformed. "As the risk of panic subsides, then we have to think more about what we can do to put ourselves on a long-term sustainable growth path rather than a shot of adrenaline," Hassett says.

Advocates for the unemployed say their goal is to persuade lawmakers to pass a yearlong extension — now, while Democrats are still in charge.

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