



## Ten million US jobless frustrated as Congress debates emergency benefits

By Lisa Millar

January 20, 2014

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An estimated 10 million Americans are unemployed and nearly half of them for more than six months, and the US Congress is arguing over whether the situation demands the extension of emergency benefits that ended in December.

LEIGH SALES, PRESENTER: The recession in the US officially ended more than four years ago, but tell that to the estimated 10 million unemployed Americans.

The economic recovery has been frustratingly slow and nearly half of the jobless have been hunting for work for more than six months.

The United States Congress is now debating whether the situation is bleak enough to warrant an extension of emergency unemployment benefits that expired in December.

From Washington, North America correspondent Lisa Millar reports.

LISA MILLAR, REPORTER: A few years ago, Katrina Johnson was a contractor for the US Government, taking home \$60,000 a year.

Now she's dead broke and desperate, depending on food stamps and the generosity of family and friends.

KATRINA JOHNSON, JOB HUNTER: That's my biggest worry, having to feed my family every day. And make sure that we can eat and have a roof over our head.

LISA MILLAR: The 41-year-old has two daughters and a college-age niece and nephew at home. She's one of the millions who've lost jobs in the wake of the Great Recession.

KATRINA JOHNSON: I was in shock because I've always been able to get a job really quickly from one job to the next. I've never been unemployed. I've been working since I was 16 years old.

LISA MILLAR: What kind of jobs are you applying for?

KATRINA JOHNSON: I applied for jobs like just remedial jobs, but I'm overqualified for all of those jobs, so they wouldn't hire me.

LISA MILLAR: She sent hundreds of applications; most of them go unanswered. Katrina Johnson is now part of another growing problem for the US. Of the 10 million Americans out of work, 40 per cent have been unemployed for more than six months.

The jobless rate might've fallen to 6.7 per cent, the lowest level since 2008, but the reality is, many people have just stopped looking.

BARACK OBAMA, US PRESIDENT: We need all hands on deck to build on the recovery that we're already seeing. The economy's improving, but it can be improving even faster.

LISA MILLAR: While they wait, the President wants Congress to extend emergency benefits to the long-term unemployed.

BARACK OBAMA: Unemployment insurance is not only good for them and necessary for them, but it's also good for our economy as a whole and will actually accelerate our growth if we go ahead and get that done.

LISA MILLAR: Republicans are reluctant, arguing it adds to the deficit and doesn't fix the fundamental problem.

JOHN BOEHNER, REPUBLICAN HOUSE SPEAKER: When you look at it, the American people have a right to continue to ask question: where are the jobs? The President's been in office now for over five years. It's time for the President to admit that his policies are not working.

LISA MILLAR: Lose your job in America and you'll get an average of \$250 a week for a maximum of six months.

More than a million people stopped getting that money at the end of last year. Katrina Johnson knows how they feel. The cheques stopped coming long ago.

KATRINA JOHNSON: My credit is shot. It's really shot right now. I've been, like, just saying, you know, by the grace of God. When I look at the news, they say the economy is picking back up and everybody's getting jobs and everything is OK again, but I still haven't got a job and I know a lot of people that haven't got jobs.

LISA MILLAR: At the heart of it all is a question about the true state of the US economy. Growth is predicted to pick up. The Federal Reserve is looking at winding down its stimulus programs. And experts are optimistic about consumer demand. But the US is grinding its way to recovery and plenty of victims have been left behind.

It's a testament to the strength of the recession that the Capital Area Food Bank keeps growing.

MARIAN BARTON PEELE, CAPITAL AREA FOOD BANK: The need is rising, it's out there and it's real. It's not something that's sort of artificial.

LISA MILLAR: For the last few years, Marian Barton Peele has seen a startling change to the clientele.

MARION BARTON PEELE: We had a situation where there was a couple, both lawyers, both laid off. And he sent me an email from his smartphone, and he said, "My pride is gone. I need to feed my family."

LISA MILLAR: They're expecting demand to increase even further if Congress goes ahead with another plan to cut up to \$9 billion from the food stamp program, used by 47 million Americans.

Michael Tanner from the libertarian think tank Cato Institute is one of those arguing for major reform.

MICHAEL TANNER, CATO INSTITUTE: Well food stamps was intended to be sort of a temporary safety net, but it's increasingly a long-term prospect. About half of all spending on food stamps are for people who've been on the program for five years or longer. So what we're getting is essentially a long-term dole rather than a temporary safety net.

LISA MILLAR: But there'd be people who'd be listening to this and saying you don't know what you're talking about. It is a very bleak situation out there.

MICHAEL TANNER: It is tough. There's no doubt about it. On the other hand, we do want people to be fully actualised human beings, supporting themselves; in the long term, that's the best thing for them.

LISA MILLAR: Despite 25 years of experience, Katrina Johnson is back in training school. She's about to start as an intern and hopes it ends in full-time work. Michael Tanner agrees, for the long-term unemployed, the challenges are even greater.

MICHAEL TANNER: Well I think the - really have a bifurcated economy. I mean, there's no doubt that in certain sectors, especially in the financial sector, the stock market's doing very well, the recovery seems to have taken hold. But for an awful lot of people, especially in the labour part of the economy, that that has not been strong. We still have far too much uncertainty. Companies are not hiring workers.

LISA MILLAR: Despite it all, Katrina Johnson is convinced she'll eventually be able to answer the questions from her daughter.

KATRINA JOHNSON: Mommy will get a job soon and then I'll buy you everything you want, 'cause I know she wants way more than I can provide for her right now. But I told her I'll get a job soon. I have faith in my heart that I will get a job eventually.

LEIGH SALES: Lisa Millar with that report.