

La Nueva Mayoría

By David R. Jones



Long-Term Jobless Need Unemployment Insurance

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In October of this year, there were over 367,000 New York City residents who were unemployed, nearly 200,000 more than in December 2007 when the recession began. About half were among the long-term unemployed, defined as being out of work for more than six months. An estimated 30 percent have been out of work for a year or longer.

Extended unemployment insurance benefits are due to expire at the end of the year, part of the encroaching “fiscal cliff.” This means tens of thousands of New Yorkers who are among the long-term unemployed will lose their benefits.

Regular unemployment benefits last for 26 weeks. Some argue that 26 weeks is enough time to find a job. But the experiences of millions of Americans in this jobless recovery have shown that that is simply not true. More puzzling is the fact that some in the city’s business community favor ending extended unemployment benefits. The extension of benefits would keep many jobless New Yorkers from falling into poverty and allow for an easier and more efficient transition to jobs as the economy improves and businesses ramp up hiring new workers.

Long-term unemployment has become an entrenched and pervasive feature of the current labor market landscape. The average duration of unemployment in New York City has lengthened since 2009, the year the recession ended — it increased from 30 weeks in that year to 41 weeks last year, almost a three month difference.

In this situation, you would think that the federal government would extend benefits for those long-term unemployed who have suffered the most. Instead, unemployment benefits are being stopped for many millions of Americans who have been jobless for longer than 26 weeks. By now, more than half a million people will have had their unemployment benefits cut off earlier than they thought. None of this takes into account the millions of Americans who no longer qualify for unemployment benefits, who are not even counted as unemployed because they have either given up looking for work or exhausted their benefits.

The average duration of unemployment in New York City increased from 29 weeks in 2009 to 41 weeks in 2011, so it took on average about three months longer to find a job last year if you were unemployed than it did in 2009. Recognizing the impact of the Great Recession on joblessness, Congress has repeatedly acted to extend federal unemployment insurance benefits, which kicked in after receipt of the maximum 26 weeks of state unemployment insurance benefits.

But the zeal for fiscal austerity, spurred by growth in the federal deficit, along with a slowly but steadily declining national unemployment rate, led Congress to enact legislation phasing out of extended unemployment insurance benefits. By the end of this year, anyone receiving federal unemployment insurance benefits will no longer receive such benefits beginning in January 2013.

Cutting off unemployment benefits for long-term jobless New Yorkers would be a disaster. How will families make ends meet when unemployment benefits are cut off? Are they to transition to the welfare rolls? As it is, with a maximum state benefit level in New York of just over \$400 per week, many unemployed New Yorkers struggle to make ends meet even while receiving unemployment insurance.

Any deal being struck between President Obama and the Congress regarding the fiscal cliff and federal unemployment insurance benefits must take account of the stubborn and extensive long-term unemployment problem. Benefits must be extended for the millions of Americans who have been jobless for more than a year, at least until the nation's economy recovers sufficiently to provide the jobs lost since the beginning of the recession.

David R. Jones is president and CEO of the Community Service Society (CSS), the leading voice on behalf of low-income New Yorkers for over 168 years. For over 10 years he served as a member of the board of directors of the Puerto Rican Legal Defense and Education Fund. The views expressed in this column are solely those of the writer.