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SENATORS REED, COLLINS CALL FOR STAND-ALONE VOTE ON 13 WEEKS OF EXTENDED UNEMPLOYMENT BENEFITS

JEC Vice Chairman Jack Reed Will Highlight Plight of Unemployed Workers at Feb. 1 Hearing

Washington, D.C. – Declaring that further delays in enacting extended unemployment benefits "would be a cruel blow to millions of Americans," U.S. Senators Jack Reed (D-RI) and Susan Collins (R-ME) today urged Senate Majority Leader Tom Daschle and Minority Leader Trent Lott to hold a vote immediately to provide extended unemployment benefits for the more than two million Americans who have exhausted their benefits and the many more who will soon face the same fate.

An extension of unemployment benefits would provide up to 13 weeks of extra assistance for workers who have used up, or will use up, their 26 weeks of basic unemployment coverage.

Both Republicans and Democrats have proposed extending unemployment benefits, but have tied the extension to other economic stimulus provisions. Reed and Collins strongly believe that passing an extended benefits bill, separate from other legislation, is the right thing to do in difficult economic times.

In a letter to Daschle and Lott, Reed and Collins wrote, "With more than two million Americans having exhausted their unemployment benefits since March 2001 and others facing a similar fate in the near future, we believe that the Senate should immediately pass a straightforward, bipartisan extension of benefits for these struggling families....[American families] are suffering, and simple common decency requires that we put aside our partisan differences on the issues of taxes and health care, and come together to meet their needs now."

Between March, when the recession began, and December 2001, the number of people who were unemployed for more than 26 weeks increased by 60 percent. Even if the economy begins to recover in the first half of 2002, as many analysts predict, overall unemployment is likely to continue rising for some time. At the end of the last recession in the early 1990s, the unemployment rate continued to rise for 15 months after the overall recovery had begun. The long-term unemployed are typically the last to join in the economic recovery. On average over the postwar years, the unemployment rate for those who have been jobless for more than 26 weeks continued to rise for nine months after the economy had begun to recover.

Reed and Collins wrote, "Unlike other proposals, extended unemployment compensation goes to those who desperately need resources to purchase food, pay their bills, and clothe their children. In addition, extending unemployment compensation involves no cumbersome implementation issues since the benefits system already exists. Lastly, extending benefits is a temporary policy because as the economy improves, laid-off workers find new jobs."

The Joint Economic Committee (JEC) will hold a hearing on the current employment situation on Friday, February 1, 2002, at 9:30 am, in room 311 Cannon House Office Building. Senator Reed, who serves as Vice Chairman of the JEC, will highlight the plight of unemployed workers at that hearing.

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.