



Department of Justice, Peace and Human Development
Office of Domestic Social Development

UNEMPLOYMENT INSURANCE
February 2009

BACKGROUND

The Bureau of Labor Statistics reported that the unemployment rate rose to 7.6 from 7.2 percent as employment in January 2009 fell sharply (reflects a loss of 598,000 jobs). Employment has declined by 3.6 million since the start of the recession in December 2007; about one-half of this decline occurred since November 2008. The number of unemployed now stands at 11.6 million persons. Over the past 12 months, the number of unemployed persons has increased by 4.1 million.

The unemployment rate in January 2009:

adult men	7.6 percent
adult women	6.2 percent
Whites	6.9 percent
Blacks	12.6 percent
Hispanics	9.7 percent
Asians	6.2 percent
teenagers.....	20.8 percent

Not counted in these figures are 9.9 million more workers who are part-time or discouraged workers. The number of persons who worked part-time for economic reasons (sometimes referred to as involuntary part-time workers) was 7.8 million in January. Included in this category are persons who would like to work full time but were working part-time because their hours had been cut back or because they were unable to find full-time jobs. Another 2.1 million persons in January wanted and were available for work and had looked for a job sometime in the prior 12 months. They were not counted as unemployed because they had not searched for work in the four weeks preceding the survey.

According to the U.S. Department of Labor, only 4.8 million workers—37 percent of unemployed workers—were receiving benefits from the Unemployment Insurance program in January 2009. Unemployment insurance (UI) was created to help assist workers who, through no fault of their own, have lost their jobs. Workers who are unemployed as a result of a strike or walkout, who left the job without "good cause," or who were discharged due to "misconduct" are not eligible for unemployment insurance.

The American Recovery and Reinvestment Act of 2009 (economic stimulus bill) recently enacted will

- **Expand and modernize the unemployment system.** Money will be provided to states to cover workers not covered under the current system, and to help every state address the administrative demands of fielding claims from the growing number of workers applying for benefits.
- **Extend and increase unemployment insurance benefits.** Workers experiencing unemployment in 2009 will receive a \$25 per week increase in their UI benefits. The Act will also continue the temporary emergency federal benefits program, previously set to expire in March 2009, through the end of December 2009, enabling more than 3.1 million additional jobless Americans to receive extended benefits this year. While it does not provide additional

emergency benefits to workers who have already received an extension, it does ensure that extended benefits go to workers who have recently been laid off and will run out of regular state benefits later in the year. It also provides an additional 13 to 20 weeks of Extended Benefits (EB) program in states with high unemployment (currently ten states).

- **Suspend taxation on unemployment benefits.** The first \$2,400 in unemployment benefits is exempt from taxation.

USCCB POSITION

The United States Conference of Catholic Bishops has consistently urged Congress to extend unemployment benefits. “As pastors, we know the human cost of joblessness and the social consequences of inadequate benefits. Pope John Paul II pointed out that society and the state must protect the worker ‘either through economic policies aimed at ensuring balanced growth and full employment or through unemployment insurance...’ Obviously new jobs are the best answer for those without work, but, in the meantime, we truly owe these workers some measure of compassion and justice gained in part by simply extending the federal benefits in the unemployment insurance system.

“We believe that coming to the aid of unemployed workers and their families is not only good for the economy; it is the right thing to do. Please act now to avoid the tragic consequences of millions of workers with literally no means of support.”

ACTION

Urge your state government to enact the necessary legislation to qualify for the federal funding now available to expand state Unemployment Insurance programs to cover more workers.

For more information

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