

CONGRESSMAN DAVIS AT WAYS AND MEANS PRESS CONFERENCE ON CONTINUING EMERGENCY UNEMPLOYMENT COMPENSATION BENEFITS

WASHINGTON, DC (DECEMBER 18, 2012) - STATEMENT FROM REP DAVIS ON EXTENDING UNEMPLOYMENT INSURANCE - LOSS OF FUNDING FOR PROGRAM PUTS 320,000 ILLINOIS FAMILIES AT RISK

Although our economy is gradually improving after one of the worst economic crises in our Nation's history, the economic crisis remains a daily reality for 12 million unemployed workers and for the millions of Americans experiencing record levels of food insecurity, poverty, and foreclosure.

Unemployment benefits are a critical lifeline for our citizens and our economy, keeping 2.3 million Americans (including over 600,000 children) from falling into poverty in 2011, reducing the poverty rate for families by 40% in 2011, and generating \$1.52 in economic activity for every \$1 in economic compensation. The non-partisan Congressional Budget Office estimates that extending these benefits another year will create 300,000 much-needed jobs.

Now is not the time to cut unemployment; millions of Americans rely on unemployment assistance to survive. In my home state of Illinois during 2012, approximately 320,000 people relied on regular unemployment benefits and almost 140,000 additional Illinoisans depended on emergency unemployment. As Illinois and our nation continue to struggle out of this recession, failure to extend this critical lifeline will impose incredible hardship on approximately two million Americans.

Failure to extend this critical lifeline means that - in addition to 90,000 Illinoisans who will abruptly lose benefits on December 29th - an additional 2,800 Illinoisans will lose benefits each week in 2013 if Republicans slash federal emergency assistance.

Our nation continues to experience historic levels of long-term unemployment. Most unemployed Americans no longer receive unemployment insurance benefits, reflecting the crisis that exists for the millions of Americans who have exhausted their benefits and still cannot find work. Indeed, over 40.8 percent of all unemployed workers, more than 5 million people, have been out of work for more than 6 months. These Americans lost their jobs through no fault of their own, they tirelessly try to find work when the jobs are few and far between, and they struggle to cover basic food, housing, and transportation costs for their families on an average of \$290 a week, a pittance which typically replaces only half of the average family's expenses.

Now is not the time to cut unemployment; our economy needs federal unemployment benefits to support its growth. In addition to cruelly stripping millions of Americans of vital assistance just days after Christmas, a Republican failure to continue unemployment benefits would devastate our fragile recovery. Moody's economist, Mark Zandi, estimates that slashing emergency benefits this year will reduce economic growth in 2013 by \$58 billion. Cutting unemployment benefits for two million people will take a tremendous toll on businesses as well as families. Even with the creation of millions of new private-sector jobs and improvements in the ratio of unemployed workers to job openings, jobs remain hard to get. There are 4 million fewer jobs in the economy now than at the beginning of the recession. Further, there are still 3.4 unemployed workers for each available job, worse than at any point during the 2001 recession and dramatically higher than the 1.8 people per job at the outset of the recession in December 2007.

Government leaders have a responsibility to protect Americans and our country, especially during times of national crisis.

Failure to continue unemployment benefits will harm our economic recovery and disproportionately harm groups of Americans who already are hardest hit by the economic crisis - including older Americans, low-income Americans, Americans from racial and ethnic minority groups, and Americans without a high school diploma. Congress must quickly act to support our citizens and our economic recovery by continuing emergency unemployment benefits.