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### **End of Federal Unemployment Benefits a Threat to Both Families and State Economy**

Thousands of Wisconsin workers who have been unemployed for the past year will begin losing their unemployment insurance benefits later this month because of a change approved by Congress earlier this year, according to a [new policy brief issued by the Wisconsin Budget Project](#).

Those jobless workers, who have been actively seeking employment for 60 weeks, will lose 13 weeks of eligibility for federal unemployment benefits. Those benefits average about \$250 per week in Wisconsin.

“Losing about \$1,000 a month will be a huge blow for the thousands of Wisconsin workers struggling to find jobs and feed their families,” said Tamarine Cornelius, research analyst for the Wisconsin Budget Project. “It will also be a blow to the state economy, since those families will have \$1,000 less to spend at local businesses. With the state economy still stuck in neutral, this is a terrible time to take that money out of circulation.”

Up until June 23, jobless workers could receive up to 73 weeks of benefits if they lived in a state where the unemployment rate has averaged at least 6 percent for the past three months. The minimum state unemployment rate to qualify for the last 13 weeks of benefits is now rising to 7 percent. Since Wisconsin’s current unemployment rate is 6.7 percent, long-term jobless workers here are out of luck.

The policy change is expected to affect close to 1,000 unemployed workers in the first week and roughly that many more in each subsequent week. The Department of Workforce Development expects the change to speed up the end of benefits for a total of about 11,500 people in the state over the next three months.

Cornelius noted that this shortening of benefits is the second stage of a four-part phase out of federal assistance for the jobless workers. “As recently as March, Wisconsinites were eligible for up to 86 weeks of total unemployment benefits,” she said. “But that number drops to 60 weeks this month, to 54 weeks in September, and 26 weeks next January if Congress fails to act later this year to make the end of the federal benefits less abrupt.”

There are currently about 160,000 people receiving unemployment insurance benefits in Wisconsin. Among those who remain unemployed for the rest of the year, none will still be eligible for benefits in January 2013 if Congress caps the maximum assistance at 26 weeks.

This issue brief is available on the Wisconsin Budget Project website at [http://www.wisconsinbudgetproject.org/unemployment\\_weeks\\_shrinking.pdf](http://www.wisconsinbudgetproject.org/unemployment_weeks_shrinking.pdf).

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