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## **40,000 Wisconsinites Stand to Lose Federal Unemployment Benefits 2 Million Nationwide Will Be Cut Off Unless Congress Extends Emergency Compensation Soon**

While most Americans will feel little immediate impact if Congress misses the deadline for averting the so-called “fiscal cliff,” the 2 million Americans currently receiving federal Emergency Unemployment Compensation (EUC) will take an instant hit. Unless Congress acts quickly to extend EUC, those benefits will end abruptly on December 29, leaving those unemployed workers without that critical economic lifeline. According to a new analysis from the Wisconsin Budget Project, a nonpartisan research group focusing on tax and budget policy, 40,000 of those workers live in Wisconsin.

“At a time when there are three times as many jobless workers as there are job vacancies, allowing unemployment benefits to end abruptly would be courting economic disaster,” said Budget Project Director Jon Peacock. “The nation’s economy is extremely fragile, as are family finances for the unemployed. We shouldn’t risk sending the economy back into recession, and putting those families into dire financial straits.”

Most states pay unemployment insurance benefits to jobless workers for a maximum of 26 weeks. They finance those benefits through a payroll tax on employers. In times of higher unemployment, Congress authorizes federally-funded benefits that provide assistance to people who reach the limit on their state-financed unemployment insurance. At the beginning of 2012, workers in Wisconsin and 28 other states qualified for 60 weeks or more of federal benefits, but changes enacted by Congress earlier this year now yield a limit of 37 weeks in Wisconsin and most other states.

Although the federal unemployment rate has improved gradually this year and was 7.7 percent in November, the Budget Project’s analysis notes that 40 percent of jobless workers have been unemployed six months or more, which is far above the rate of long-term unemployment in previous recessions.

Allowing the extended benefits to end abruptly could be a major blow to an economy still struggling to fully recover from the most severe recession in decades. Unemployment compensation has proven to be one of the most reliable forms of stimulus for a sagging economy. A recent report by the nonpartisan Congressional Budget Office found that extending the federal unemployment benefits through next year would create about 300,000 jobs.

“We urge Congress to act before the end of the year to extend federal unemployment benefits,” said Peacock. “A more gradual phase-out of benefits will soften the blow to both struggling families and the national economy.”

The new analysis is available online at [www.wisconsinbudgetproject.org/thousands-of-jobless-wisconsin-workers-face-termination-of-income-at-the-end-of-december](http://www.wisconsinbudgetproject.org/thousands-of-jobless-wisconsin-workers-face-termination-of-income-at-the-end-of-december)