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Every Wisconsin County Would Take a Hit from End of Federal Unemployment Benefits

Earlier this month, the Wisconsin Budget Project reported on the consequences for Wisconsin if Congress does not act to renew federal unemployment benefits scheduled to stop at the end of the year. Today, the Budget Project released a new brief showing the number of workers affected and the economic impact in each of Wisconsin's 72 counties.

If federal unemployment benefits are shut down, 99,000 Wisconsinites will see their incomes drop over the course of 2014. This number includes jobless workers who will lose their federal unemployment benefits abruptly, as well as other unemployed residents who exhaust their state benefits and lose access to federal help.

"It makes no sense to allow benefits to end abruptly at a time when there are three jobless workers for every job opening," said Budget Project Research Analyst Tamarine Cornelius. "Phasing benefits out gradually would be a better approach, both for families of unemployed workers and for the communities they live and spend money in."

If the federal help is not extended, Wisconsin businesses will be hit hard. Businesses in high-unemployment areas will be harmed the most, since their customers will have far fewer dollars to spend. Unemployed Wisconsinites will lose an estimated \$361 million in 2014. Much of that money would have been spent at local businesses on necessities. The loss of spending power would ripple through the economy. Even many of the smaller counties in the state stand to see over \$1 million disappear from their local economies. The White House Council of Economic Advisors estimates that more than 5,000 jobs would be lost in Wisconsin as a result.

"We urge Congress to act before the end of the year to extend federal unemployment benefits," said Cornelius. "A more gradual phase-out of benefits would help the families of the long-term unemployed weather the storm, and help promote sustained growth in every corner of the state."

The new analysis, including county-by-county numbers, is available online at www.wisconsinbudgetproject.org/end-of-federal-unemployment-benefits-would-harm-wisconsin-economy.

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