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Paul E. Miller: Quick action would help the unemployed

CHARLESTON, W.Va.-- More than 6,000 jobless workers in West Virginia are expected to exhaust all of their unemployment benefits by the end of the year. Quick thinking and legislative action could help these jobless workers survive a deepening recession by adding 20 additional weeks of Extended Benefits.

Typically, states must pay half of these Extended Benefits, but the American Recovery and Reinvestment Act (ARRA) authorizes the federal government to pay the full cost - but only if West Virginia changes its trigger for Extended Benefits before the end of this year.

Already, 22 states have improved the lives of their jobless workers and families by modifying their state laws to allow for an additional, temporary trigger for Extended Benefits. The West Virginia Legislature could enact the same change during a special session, providing an opportunity to declare an Extended Benefits period in 2009 and save those families drowning in a capsized economy.

In addition, 20 weeks of Extended Benefits could bring \$33.6 million dollars into the state economy. The price of inaction and failing to adopt this alternative trigger method could require West Virginia to eventually pay for half of the cost of these benefits, or \$16.8 million dollars. The loss is even greater when you consider that unemployment benefits have a high multiplier effect - each dollar spent generates another \$1.63 in local economic activity, bringing the total economic value of Extended Benefits to \$54 million dollars in West Virginia.

The current method of triggering on Extended Benefits, the Insured Unemployment Rate, doesn't allow the Mountain State to take immediate advantage of ARRA's fiscal stimulus aid to states. However, West Virginia can trigger on Extended Benefits in 2009 by changing state law to add a temporary trigger method called the Total Unemployment Rate. The use of this alternative method means that jobless workers and their families would begin receiving 20 additional weeks of cash payments now, rather than waiting 6 months before an Extended Benefit period would naturally trigger on using the state's current IUR method.

It's getting harder to find jobs as the state's unemployment rate is now closing in on the 10-percent mark. Also, more people are now receiving unemployment benefits for longer spells than before. The number of continued claims for unemployment insurance, an indicator of the length of time it takes jobless workers to find new work, has increased from a weekly average of 14,171 during much of 2008 to 27,594 since November 2008.

Unemployment benefits represent life jackets to jobless workers trying to keep their head above water - allowing families to find a way to pay for immediate needs such as housing, utilities, food and essential expenses. The state could take immediate action and throw 6,000 jobless families an Extended Benefits lifejacket. The Legislature should follow the lead of 22 other states and enact the TUR as a temporary trigger for Extended Benefits.

Nearly one in 10 of our neighbors is out of work. Extended Benefits would ease their hardship, be a boost to local businesses, and would cost the state nothing. This is a policy choice where everyone wins.

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