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**Hearing Statement of Senator Max Baucus (D-Mont.)  
Regarding Improvements to Unemployment Insurance to Help People Find Work**  
*As prepared for delivery*

Theodore Roosevelt once said, “The best prize that life has to offer is the chance to work hard at work worth doing.”

The Great Recession hit Americans with soaring unemployment rates. That has kept this prize of a chance to work hard from millions of Americans.

Last month’s Jobs Report showed some encouraging signs of a turnaround. The economy created 80,000 jobs in October, and it was the 13th uninterrupted month of job growth. That the good news.

However, we need faster job growth to keep this economy moving in the right direction. Nearly 14 million Americans are still unemployed. More than 42 percent of these folks have been searching for a job for at least six months. That means nearly six million Americans have been without a job for half a year or more.

For families who’ve been hit by hard times, Unemployment Insurance is a crucial lifeline, and it’s an essential part of the solution to get folks back to work.

Families need these benefits to keep their homes, pay bills and stay afloat. We must remember that the folks who collect unemployment benefits have worked, want to work and will work again.

I recently spoke with one such young man: Roy Houseman, Jr., from Missoula, Montana.

Roy worked at Smurfit-Stone Container, a paper plant that was vital to the Missoula community. In 2009, Smurfit-Stone closed its doors. Roy shared with me that losing that job, for him and his co-workers, was traumatic.

Unemployment benefits were a necessary lifeline for his family. The income he received from Unemployment Insurance was less than half of what he previously made. When he was working, the mortgage on his home was 30 percent of his income. While he was collecting unemployment benefits, however, that same mortgage ate up 60 percent of that income.

After Roy's company closed, it was fortunately certified for the Trade Adjustment Assistant program. Roy was able to meet with his UI case manager and go back to school. Through this training program, Roy found a new career.

Roy told me he thinks that the best reemployment programs give someone the opportunity to find a job that meets three criteria. His first principle is that the job pays equal to or more than the job someone left. Roy's second standard is the job provides an opportunity for growth. And his last measure is that the job must be sustainable in the 21st century economy. I couldn't agree more.

So today, let's focus on how our Unemployment Insurance system can use reemployment strategies to save existing jobs and create new ones. Let's find a way to improve the program.

There are several reemployment proposals this Committee is considering. Some programs partially replace the earnings of workers who suffer job loss. Others help unemployed workers find permanent work, either through direct job placement or through retraining. And other models are even designed to develop entrepreneurs. We need to tap into these ideas.

There are already a number of states doing great work in this arena. Twenty-two states have implemented a work-sharing program. Under these programs, to avoid layoffs, states allow employers to trim the hours they pay their employees and then use Unemployment Insurance funds to maintain pay for the full-time job. My state of Montana has its own version, and I look forward to hearing testimony today about Rhode Island's work-sharing experience.

Some states create new jobs through wage subsidy programs. These programs help employers cover a portion of a new employee's wages to encourage the hiring of unemployed workers.

Today we will hear more about the opportunities and challenges that arise from these programs.

Many components of the Unemployment Insurance program will expire at the end of this year. We must extend this program that is critical not only for millions of Americans, but also for our economy. This is also an opportunity for this Committee to examine the unemployment system and to make improvements.

So let us ensure that workers are prepared with the skills employers need. That is how jobs get filled and our economy recovers. Because what people really want — more than an unemployment check — is to be back at work.

Let us focus on getting these folks back to work. And let us heed the words of Theodore Roosevelt and make sure all Americans have the chance of the prize of working hard at work worth doing.

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