



For Immediate Release
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Contact: Scott Mulhauser/Erin Shields
202-224-4515

**Floor Statement of Senator Max Baucus (D-Mont.)
Regarding the Temporary Unemployment Insurance Extension**

Mr. President, we are now on the temporary extension of Unemployment Insurance benefits. This bill will help millions of Americans who are struggling to feed their families, struggling to pay the bills.

Take for example the single father from Missoula, Montana. He has been out of work for weeks. He exhausted his state benefits, and is now receiving federal extended benefits.

He called the Montana Unemployment Insurance Claims Processing Center. He said that if his Unemployment Insurance benefits are not extended, he does not know how he can take care of his daughters.

He continues to search for a job. But for now, Unemployment Insurance benefits are the lifeline for him and his family.

Unemployment benefits help him to pay the bills, for his daughters. Unemployment benefits help the single father from Missoula and millions of Americans who, through no fault of their own, have fallen victim to this Great Recession.

As we meet today, benefits have lapsed for 200,000 Americans. Another 200,000 Americans could lose their benefits, if we do not pass this bill this week.

Unemployment benefits help our unemployed neighbors. And in helping our neighbors, we also help to keep open the neighborhood grocery store, and the neighborhood gas station.

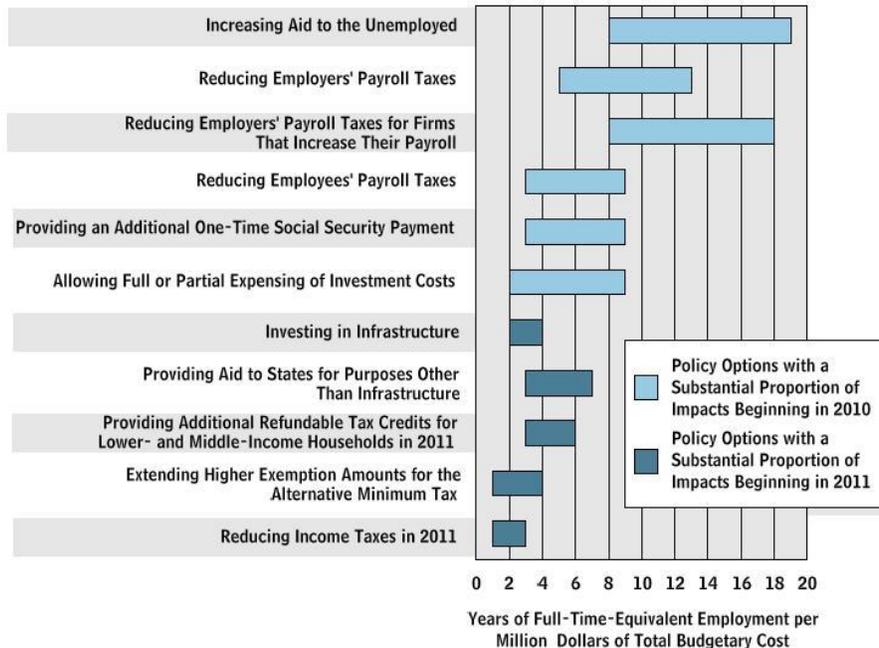
In helping our unemployed neighbors, we also help to keep houses out of foreclosure. And in helping our unemployed neighbors, we also help our economy.

The nonpartisan Congressional Budget Office says that extending additional unemployment benefits would have one of the largest effects on economic output and employment per dollar spent of any option.

This CBO chart tells us just how effective increasing aid to the unemployed can be.



Cumulative Effects of Policy Options on Employment in 2010 and 2011, Range of Low to High Estimates



[Source: CBO, Feb. 25, 2010, page 9. Full presentation available [here](#).]

The CBO analyzed the effectiveness of a number of job creation proposals. For each policy, the CBO estimated the number of jobs created for each dollar of budgetary cost.

Of the 11 policies that CBO analyzed, increasing aid to the unemployed is ranked first. It's number one. Among all of these policies, increasing aid to the unemployed is the most effective. CBO says that it will create the most jobs per dollar of budgetary cost.

Other policy options are much less cost effective.

CBO also says that for each dollar spent increasing aid to the unemployed could increase the GDP by up to \$1.90.

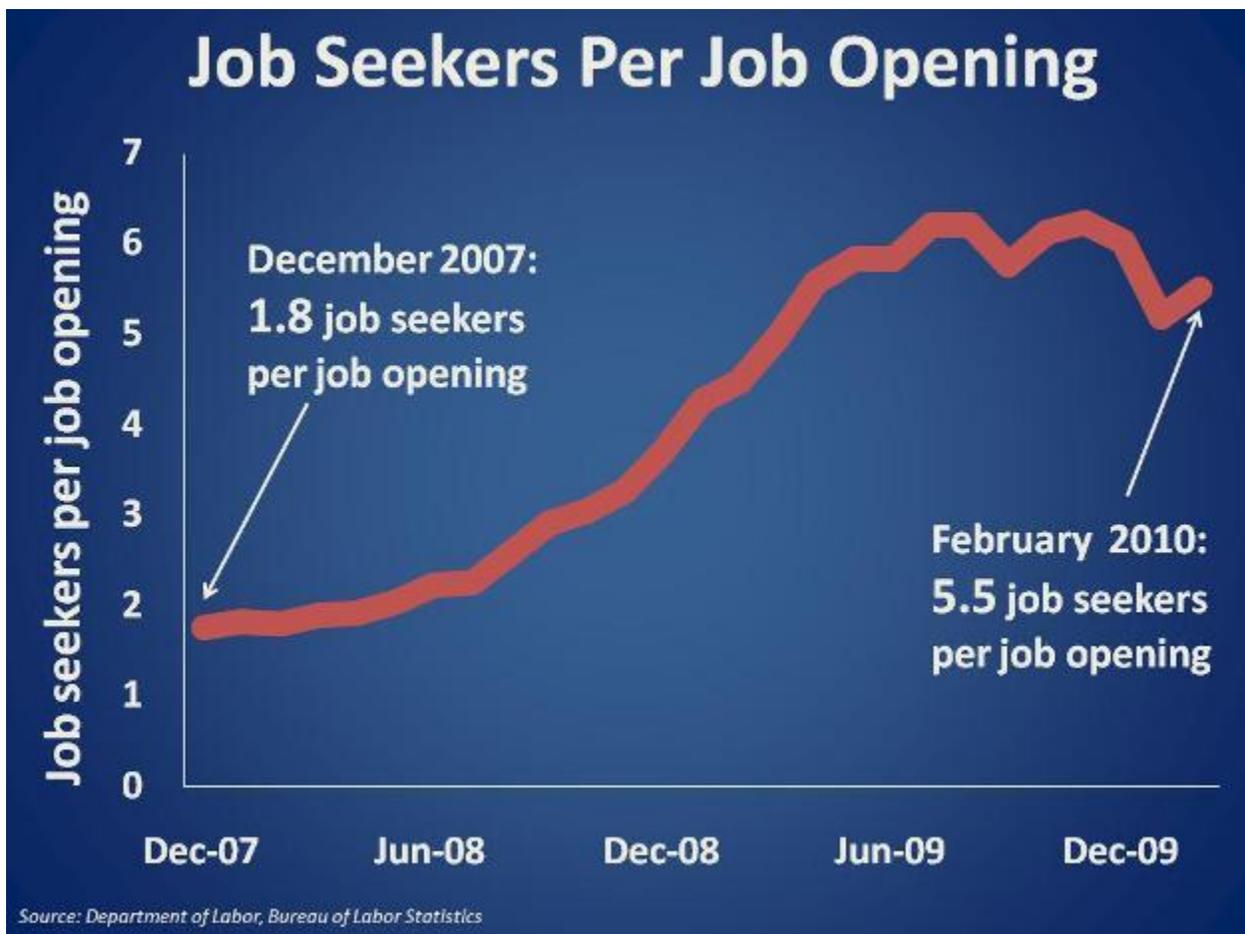
Why is increasing aid to the unemployed so effective?

Households receiving unemployment benefits spend their benefits right away. That spurs demand for goods and services. That boosts production. And that leads businesses to hire more employees.

Unemployment benefits are essential to bridging the gap between losing one job and finding another. And it has become increasingly difficult to find that next job.

In February, there were 2.7 million job openings. And in the same month, there were 15 million Americans out of work. That means that there are about five and a half job seekers for every job opening.

It's no wonder that it's hard for the unemployed to find jobs. The chart behind me tells the story. Prior to the Great Recession, there were fewer than two job seekers for every open position. Now, there are five and a half.



It's important that we extend unemployment benefits. We need to bridge that gap between jobs.

And getting unemployment benefits is not living high on the hog. The average unemployment benefit is \$335 a week. The average cost of a loaf of bread is \$2.79. The average cost of a gallon of milk is \$2.72. Diapers for just one baby can cost up to \$85 a month. These days, \$335 only stretches so far.

We need to keep our unemployed neighbors from falling into poverty. We need to figure out how best to create new jobs for unemployed workers.

One way that we can help foster job growth is by using the Unemployment Insurance program to create the right conditions for job creation.

That's why I'm holding a hearing in the Finance Committee tomorrow to explore ways to use the Unemployment Insurance system to help Americans to get back to work.

States and experts have great ideas for how we can improve the Unemployment Insurance system. They have ideas about how it can save and create more jobs.

For example, some states are creating new jobs through subsidy programs. Montana has a job subsidy program and has put hundreds of people back to work. Using funds from the Recovery Act, this program helps employers to pay for the cost of creating new jobs. Across the country, thousands of people are benefitting from job subsidy programs.

But right now, it's essential that we pass a temporary extension of unemployment benefits. It's essential that we help Americans put food on the table. It's essential to pay the bills, while they continue to look for work.

It's essential for people like Jeremy from Flathead County, Montana. Jeremy is a wildland firefighter. He's receiving unemployment benefits for the first time in his life.

Fighting wildfires is seasonal work. Typically, Jeremy can find another job during the off-season. But this year, he has been unable to find employment.

Jeremy's benefits lapsed on February 28. That's when Congress failed to extend unemployment benefits.

Jeremy has been left hanging. It's just not right to leave Americans in this position.

So let us extend unemployment insurance benefits for Jeremy the firefighter. Let us extend this vital lifeline for the single father from Missoula, and for his daughters who depend on him. And let us enact this temporary extension of Unemployment Insurance without delay.

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