Congressman Robert C. "Bobby" Scott Rules Committee Remarks Submitted for the Record in Support of Lee/Scott Amendment (Admt #12) to the Middle Class Tax Relief & Job Creation Act of 2011 (HR 3630) To Extend and Expand Federal Unemployment Programs H-313 December 12, 2011 5:30pm

The current economic climate has taken a toll on many families across the nation. While the economy is growing and jobs are being created, there are still almost 14 million unemployed people nationally, and the national unemployment rate is hovering at 9%. We need to make sure that people who have lost their jobs during the recession are not left out in the cold.

Currently for every job opening, there are 4.7 unemployed individuals seeking employment. This means that unfortunately there just aren't enough jobs to hire all the job seekers. For this reason, many people are chronically unemployed, through no fault of their own.

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To add insult to injury, some applicants are not getting consideration for jobs because they have been unemployed for too long. Folks who have been unemployed for 60, 80, 90 weeks are dejected, being cut off from unemployment insurance assistance, and are not being given a fair shot at the jobs that they are applying to. So we need to particularly pay attention to how we can support the long-term unemployed and keep them on their feet.

In February, Congresswoman Lee and I introduced the Emergency Unemployment Compensation Expansion Act to provide 14 additional weeks of unemployment insurance for the chronically unemployed so that they can stay afloat during their job search. The Emergency Unemployment Compensation Act would, if passed, give these hardworking Americans a little more time to find a job and provide them with a small amount of assistance as they try to make ends meet. However, this bill has been stalled in Committee. On the other hand, the Middle Class Tax Relief & Job Creation Act being considered today would essentially dismantle the safety net in place for the long-term unemployed. This bill would allow states to cut benefits wherever they see fit and impose barriers to receiving unemployment benefits for hard-working Americans that deserve a little bit of support during these difficult economic times.

Critics of unemployment compensation believe that it gives unemployed people an incentive not to work, that people receiving unemployment compensation will merely collect the benefit payments as long as they can without actively looking for a job. While that criticism may apply to a few bad apples, the overwhelming majority of Americans who are chronically unemployed would rather enjoy the dignity of work instead of collect a check from the government that, on average, amounts to \$260 a week. The overwhelming majority of the chronically unemployed do not want a hand out, they want a job. Additionally, unemployment compensation gives you the best bang for your buck, in terms of stimulus to the economy. Economists estimate that the U.S. economy grows by \$1.61 for every dollar the government spends on unemployment compensation because unemployed persons usually spend all of their benefit payments quickly. Put simply, unemployment compensation is one of the most efficient and effective ways to stimulate the economy, and we should be focusing on providing this support and stimulus to the economy in conjunction with making bold investments in our education system and the workforce.

The Lee/Scott amendment recognizes that unemployment programs are vital to many Americans who are struggling to make ends meet during this recession. This amendment would extend authorization of the Emergency Unemployment Compensation Program and expand the number of weeks available for those who have exhausted benefits. There is no doubt that we must focus on creating jobs, but this will not alone take care of our short-term problem. I urge the Committee to accept this amendment.

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