

SECRETARY OF LABOR
WASHINGTON, D.C. 20210

MAY - 7 2014

The Honorable John Boehner
Speaker of U.S. House of
Representatives
Washington, DC 20515

Dear Speaker Boehner:

I am writing to urge the House to take up consideration of S. 2148, the Emergency Unemployment Compensation (EUC) Act of 2014. The Senate has taken bipartisan action to restore critical unemployment benefits due to the lapse in the EUC program last December, and to ensure that other eligible recipients continue to receive these benefits. We worked closely with a bipartisan group of Senators, and remain willing to do the same with you and others in the House.

Since the December 2013 deadline came and went, almost 2.6 million people, including more than 70,000 in Ohio, have been stripped of unemployment benefits that help them keep the lights on, rent paid, and family fed. All too many long-term unemployed are making painful choices between these critical necessities. With each passing week of inaction on this issue, an additional 70,000 Americans looking for work exhaust unemployment insurance without having found a job.

In the months before and after the expiration of EUC benefits, I have met with numerous people struggling to get back into the workforce after a long period of unemployment. Their determination inspires me. Their full time job is to look for a job. One person shared that he had successfully beaten cancer years ago, and "fighting cancer was far easier than fighting long-term unemployment." I travelled to Ohio recently and met with a group of determined people seeking employment, one of whom said "I've got no quit in me, because I do not want my son ever to think that his father is a quitter." These people embody the spirit and resilience of the long-term unemployed, who are working tirelessly to get back into the workforce.

You have indicated that EUC should only be extended in combination with job creation measures, but EUC is itself an effective job creation tool. Estimates from outside economists and the Congressional Budget Office (CBO) suggest that without an extension of EUC, GDP growth will diminish by 0.2 to 0.4 percent. Failing to extend UI benefits puts a dent in job-seekers' incomes, reduces demand and will cost an estimated 240,000 jobs in 2014. Of that, the Council of Economic Advisors (CEA) estimates we have already incurred a loss of roughly 80,000 jobs so far this year. In a 2011 study, the CBO found that assistance to the unemployed is among the policies with the largest employment impacts per dollar spent. These large impacts occur because unemployment benefits tend to flow to people who need the dollars for necessary expenses and will spend benefits quickly at businesses in their communities, spurring local growth and local job creation. Extensions of UI are "both timely and cost-effective in spurring

economic activity and employment” (CBO 2011). In short, extending EUC benefits is the right thing to do and the smart thing to do for job seekers and the economy.

In addition to the large job creation impacts of unemployment insurance, the Administration would welcome the opportunity to work with you on several job creation measures that Congress could pass together with the EUC extension. For example, we are eager to work on bipartisan legislation to fix our immigration system, simplify the tax code for businesses, support transportation reauthorization, and modernize our skills and job training programs.

You have also expressed concerns that it would be difficult for states to administer the EUC program. I would note that Governors Sandoval and Chafee of Nevada and Rhode Island, respectively, have publicly indicated that they are ready and able to implement the Senate bill. This is noteworthy in that Rhode Island and Nevada have two of the highest rates of unemployment in the nation. As a former state Labor Secretary, I have considerable experience implementing these programs. I would respectfully submit that the implementation challenges for states pale in comparison to the day-to-day struggles confronting the long-term unemployed. Throughout this recovery, the Department of Labor has worked closely and collaboratively with states to ensure effective implementation of EUC programs, and we will continue to do so. I am confident that we can address any concerns and work with states to enable successful implementation of S. 2148.

The economy continues to grow at a steady pace. Last week’s April jobs report marked the 50th consecutive month of private sector job growth. Over nine million jobs have been created in the last 50 months. At the same time, too many Americans remain out of work through no fault of their own. Until last December, it was unprecedented for Congress to fail to extend EUC benefits when long term unemployment remained so high.

People from all walks of life and all across America desperately need our help. They want to punch their ticket once again to the middle-class, and they are working tirelessly to find a job. As the Ohio job seeker told me, the long term unemployed “have no quit in them.” President Obama and I are not quitting on them; the Senate has not quit on them. I would urge you to bring S. 2148 to a vote immediately, and I am more than willing to meet with you to discuss any questions or concerns you may have.

Sincerely,


THOMAS E. PEREZ