

June 12, 2008

Washington, DC -- Congressman DeFazio (D-Springfield) today applauded congressional passage of extended unemployment benefits for the long-term unemployed. The Department of Labor announced last week that the national unemployment rate has surged to 5.5 percent from 5.0 percent -- the biggest one-month jump in more than two decades. This is the highest level in nearly four years. In Oregon, the unemployment rate is higher than the national average at 5.6 percent.

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"This extension will provide a much needed shot in the arm to struggling families and our ailing economy," DeFazio said. "Unemployment insurance provides targeted and effective stimulus for a sluggish economy. These critical benefits will increase consumer spending in hard hit areas and help those families who have been hurt by Bush's failed economic policies."

In order to address this issue, the House passed H.R. 5749, the Emergency Extended Unemployment Compensation Act, by a vote of 274 to 137. This measure will immediately provide up to 13 weeks of extended unemployment benefits in every state to workers exhausting the 26 weeks of regular unemployment benefits. Relief will run through March 2009 and benefit 3.8 million Americans, including more than 64,000 Oregonians. The federal unemployment trust fund has more than enough reserves to cover the cost of these benefits.

Extending these benefits is one of the most cost-effective and fast-acting ways to stimulate the economy because the money is spent quickly. According to the Congressional Budget Office, every \$1 spent on unemployment benefits generates \$1.64 in new economic activity.