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CONGRESS PASSES, PRESIDENT SIGNS UNEMPLOYMENT BENEFITS EXTENSION AS JOB LOSS CONTINUES IN MO

Additional fiscal relief assistance to states still needed as budget shortfalls loom

St. Louis, MO – On Monday, President Bush signed into law a temporary extension of unemployment insurance benefits, recently passed by Congress. **The temporary extension will provide an additional 13 weeks of benefits for unemployed Americans** to the current maximum of 26 weeks. The average weekly benefit in Missouri is \$236 per week.

The passage of this legislation comes as the most recent employment figures from the U.S. Department of Labor, Bureau of Labor Statistics indicate that **the U.S. has lost 324,000 jobs in the last five months. Missouri alone lost 21,362 jobs** during that same period. This week, further job cuts were announced in the St. Louis region, including 2,400 due to Chrysler's plans to close their minivan plant in Fenton.

In addition to the rise in the number of unemployed nationwide and **here in Missouri, an increasing number of unemployed workers are also facing unemployment that lasts longer than six months**, and are therefore exhausting their allotted unemployment benefits. To date in 2008, 11,000 Missourians - 29.7 percent of those receiving unemployment assistance - have exhausted their regular unemployment insurance benefits. At the same time, families are facing rising gas and food prices, making it even more difficult for unemployed families to make ends meet.

This temporary extension will help currently unemployed individuals who have exhausted their benefits, and **tens of thousands of additional Missourians could also qualify for assistance during the period covered by the bill**. Individuals will qualify for the extended benefit if their regular unemployment benefits were exhausted on or after May 1, 2007 and if they worked for at least twenty weeks before becoming unemployed.

The extension of unemployment benefits is part of a fiscal relief effort by Congress to assist individuals and states during these difficult economic times. While the extension is an important step, Missouri Budget Project Executive Director Amy Blouin said more should be done to provide assistance to states.

“This extension of unemployment benefits is a critical component in helping Missouri families to overcome the economic downturn, but further assistance is needed. Congress should not delay in passing additional fiscal relief assistance to the states, as they did in 2003,” Blouin said. **“At this time of increased need, thirty states, including Missouri, are projecting significant state budget shortfalls. This could result in cuts to critical services including health care, education and transportation, which benefit our families and our state’s economy. Congress should take further action to provide immediate fiscal relief to the states to allow them to continue to provide much needed services to their residents.”**

The Missouri Budget Project is projecting that Missouri could have a budget shortfall of nearly \$500 million in state general revenue by Fiscal Year 2010. In addition, the Missouri Department of Transportation projects at least a \$700 million loss in funding for transportation services.

Following the 2001 economic downturn, Congress provided \$20 billion in state fiscal relief in a package enacted in 2003.

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The Mission of the Missouri Budget Project is: To advance public policies that improve economic opportunities for all Missourians – particularly low and middle-income families – by providing reliable and objective research, public education and advocacy. More information is available at www.mobudget.org.