

Assembly Joint Resolution

No. 56

Introduced by Assembly Member Swanson

April 16, 2008

Assembly Joint Resolution No. 56—Relative to unemployment benefits.

LEGISLATIVE COUNSEL'S DIGEST

AJR 56, as introduced, Swanson. Unemployment benefits.

This measure would encourage the United States Congress to pass legislation extending federal unemployment benefits.

Fiscal committee: no.

1 WHEREAS, The United States economy is experiencing an
2 economic downturn, due largely to the subprime mortgage and
3 credit market crises, producing a serious loss of jobs in February
4 2008, for a second month in a row; and

5 WHEREAS, In March 2008 the total number of workers in the
6 United States collecting unemployment benefits surpassed 2.83
7 million, which is greater than the number who received benefits
8 after unemployment claims surged following Hurricane Katrina;
9 and

10 WHEREAS, The United States workforce is experiencing higher
11 rates of long-term joblessness compared to prior recessions. In
12 February 2008, the long-term unemployed accounted for 17.5
13 percent of all jobless workers, compared to 11.1 percent when the
14 last recession began in March 2001, and 11.9 percent when the
15 July 1990 recession began; and

1 WHEREAS, More than three million workers are expected to
2 run out of their maximum 26 weeks of state unemployment benefits
3 in the next year, without having any additional unemployment
4 benefits provided by the federal government; and

5 WHEREAS, The California economy has been especially hard
6 hit by the economic downturn, increasing the state's unemployment
7 rate by nearly a full percentage point in the past year, to 5.9 percent
8 in January 2008, and leaving more than one million workers
9 unemployed, including over 70,000 construction workers; and

10 WHEREAS, From January to March 2008, the number of
11 Californians collecting unemployment benefits has averaged
12 486,000 per month, which is nearly 100,000 more workers
13 compared to the same period last year; and

14 WHEREAS, Almost 220,000 California workers ran out of their
15 26 weeks of state unemployment benefits in the six months from
16 August 2007 to January 2008, and in the next six months another
17 240,000 more workers will find themselves jobless and without
18 any additional unemployment benefits to support their families;
19 and

20 WHEREAS, A federal extension of unemployment benefits by
21 the United States Congress would stimulate the California and
22 national economies, while also helping to mitigate the housing
23 crisis; and

24 WHEREAS, Every dollar of unemployment benefits circulating
25 in the economy boosts economic growth by \$2.15, reflecting the
26 fact that benefits are spent immediately on housing, gas, food, and
27 other basic necessities. A major study also found that providing
28 unemployment benefits reduces the chances that a worker will be
29 forced to sell the family home by almost one-half, which has
30 special significance to California given the state's foreclosure
31 crisis; and

32 WHEREAS, Congress waited until three months after the last
33 recession ended, in March 2002, to provide for a 13-week federal
34 extension of unemployment benefits, which limited the stimulative
35 impact of the extension on the national economy and on the states
36 hardest hit by unemployment; and

37 WHEREAS, If the average unemployed worker in California
38 collected 10 weeks of a 13 week federal extension of
39 unemployment benefits, over six months an additional \$1.4 billion
40 in economic stimulus would support the struggling California

1 economy and those communities hardest hit by unemployment;
2 now, therefore, be it

3 *Resolved by the Assembly and Senate of the State of California,*
4 *jointly,* That the Legislature of the State of California supports
5 immediate Congressional action to extend federal unemployment
6 benefits by at least 13 weeks for all states, and avail an additional
7 13 weeks of federal benefits to high unemployment states,
8 including California; and be it further

9 *Resolved,* That the Chief Clerk of the Assembly transmit copies
10 of this resolution to the President and Vice President of the United
11 States, to the President pro tempore of the United States Senate,
12 to the Speaker of the House of Representatives, and to each Senator
13 and Representative from California in the Congress of the United
14 States.

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