

Assembly Joint Resolution No. 56

RESOLUTION CHAPTER 83

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

[Filed with Secretary of State July 8, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 56, Swanson. Unemployment benefits.

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, If the average unemployed worker in California collected 10 weeks of a 13 week federal extension of unemployment benefits, over six months an additional \$1.4 billion in economic stimulus would support the struggling California economy and those communities hardest hit by unemployment; now, therefore, be it

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

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