



Legislation Text

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INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL R
(Resolution)

Introduced by: Councilmember Clarke

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning
Request for Federal Action - Unemployment Extension

FOR the purpose of urging Congress to take whatever steps are necessary to restore funding for federal extended unemployment benefits in order to avoid seriously endangering the economic recovery.

Recitals

Throughout the current economic downturn our City, State, and nation have been burdened with historically high levels of long term unemployment. According to the New York Times, even today as the economy slowly begins to improve, 42% of the 14.8 million jobless American workers have been unemployed for 6 months or longer.

As it has done during past severe downturns, Congress responded to this long term unemployment crisis by authorizing emergency federal funding for additional weeks of unemployment insurance payments to laid off workers beyond the 26 weeks of benefits provided in normal times. In Maryland, up to 73 weeks of benefits were made available.

These payments have proven to be a crucial lifeline to keep both struggling families and the economy as a whole afloat. According to government estimates, at least 3.3 million people would have fallen into poverty without these extended benefits. Had that been allowed to happen, many millions more would also have suffered as the effects of increased foreclosures, overburdened public services, and lowered spending rippled through the economy. Instead, the Congressional Budget Office found that the extended unemployment benefits were the single most effective government policy for generating growth, and a recent Labor Department study estimated that every \$1 spent on unemployment benefits generates \$2 in economic growth.

With unemployment nationwide stuck above 9% and an economic recovery just beginning to sputter forward, it would seem unthinkable that Congress would even consider allowing such a vital and effective program to end. Yet, Congress failed to re-authorize extended federal benefits, and the program began drawing to a close at the end of November. In the first week since the extended unemployment benefits were cut, 800,000 Americans have lost the minimal payments that allowed them to keep food on the table and a roof over their families' heads. By the end of the Christmas season a total of nearly 2 million laid off workers - 14,600 of them Marylanders - will see their benefits expire prematurely unless the federal program is reauthorized.

Never before have federal unemployment benefits been cut off while unemployment remained above 7.2% nationwide, according to the Center for Budget and Policy Priorities. And in an economy where 5 unemployed people exist for every job opening, it is simply impossible to expect that most of those cut off from benefits will be able to find any sort of even minimal employment. In the absence of any alternate possible income source, the millions of people who would lose their benefits will serve as a serious drag on the fragile economic recovery; analysts believe that failure to extend the federal unemployment benefits could cut national economic growth by as much as a percentage point, throw a million more people out of work, and result in a serious spike in hunger and homelessness.

Baltimore and other localities with already high rates of poverty and stretched safety nets would be especially hard hit by this simultaneous reduction in income and increased demand for social services. Our City, and our nation, simply cannot afford to take a hit of this magnitude. Congress must find a way to restore funding to the federal extended unemployment benefits in order to avoid a genuine crisis.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That Congress is urged to take whatever steps are necessary to restore funding for federal extended unemployment benefits in order to avoid seriously endangering the economic recovery.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Maryland Congressional delegation, the Mayor, and the Mayor's Legislative Liaison to the City Council.

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