



For Immediate Release
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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Using Unemployment Insurance to Help Americans Get Back to Work**

President John F. Kennedy said: "Anyone who is honestly seeking a job and can't find it deserves the attention of the United States government and the people."

Today, we turn our attention to the unemployment insurance system. We look at whether it can do even more to help those seeking a job.

Last month's job report brought us a glimpse of hope. The economy created 162,000 jobs.

But 15 million Americans are still unemployed. America has 8.2 million fewer jobs today than it did when the recession began in December 2007.

And more than 44 percent of the unemployed have been searching for a job for at least six months. That's six and one-half million Americans without a job for six months or more. On average, it's taking 31 weeks to find a new job.

For millions, the unemployment insurance system provides a vital safety net. More than 11 million out-of-work Americans are relying on unemployment benefits.

Unemployment benefits are providing vital services. I regularly hear from Montanans that these checks keep them able to put food on the table. I hear that without this help they could not have paid their rent or mortgage.

In Montana, one of my neighbors, a woman from Great Falls in her 70's, was unemployed. She was in the process of being evicted from her apartment. She applied for and began receiving emergency unemployment compensation benefits.

These benefit payments allowed her to stay in her home and keep food on her table. Those benefits were a lifesaver for her.

Because folks are staying unemployed so long, people are exhausting available state benefits. In many cases, they have exhausted the additional tiers of Federal emergency benefits. The Department of Labor reports that as of mid-March, almost six million Americans had exhausted their state benefits and were claiming Federal emergency benefits.

Our unemployment system deserves attention. And it also deserves innovation.

Many states are doing some creative things. Seventeen states have implemented a work-sharing program. Under these programs, to avoid layoffs, states allow employers to trim the hours for which they pay, and then use Unemployment Insurance funds to maintain the full-time job.

My state of Montana has its own version. New York State's "Shared Work Program" uses such a policy to avoid job loss. And as we will hear today, Washington State has an innovative program as well.

Encouraging entrepreneurship is also an option. New Jersey's "Self-Employment Assistance Program" assists qualified unemployed people to become self-employed and start a business in New Jersey.

New Jersey's program gives participants weekly "Self-Employment Assistance" compensation instead of unemployment benefits. And the state also gives them business start-up training and counseling.

And some states create new jobs through subsidy programs. Texas, for instance, has designed a subsidized jobs program that will target opportunities to low-wage workers who have exhausted Unemployment Insurance benefits or are at risk for exhausting. Montana also has a subsidized jobs program.

We need to consider new ways to target job subsidies more effectively to those who have been laid off and exhausted all of their state-provided unemployment benefits.

And there's another problem that deserves our attention: Right now, if you have been laid off and you take a part-time job, the current system penalizes you for that decision. We should reverse that incentive.

And as people are hurting, so are state unemployment trust funds. States right now have borrowed more than \$40 billion from the Federal Government. I look forward to hearing about how the unemployment system can accommodate new ideas while improving the system's solvency.

Currently, the Federal Government provides interest-free loans to states that borrow to pay Unemployment Insurance benefits. This makes sense during a recession, so that businesses do not face an increased tax burden at a time when we need them to hire.

We also need to continue the TANF Emergency Contingency Fund. The TANF Emergency Contingency Fund is a resource to states for job subsidy programs. This Fund has been a big help in increasing the creation of subsidized jobs for low-income workers. Senators Kerry and Murray have worked hard to continue this fund.

When I hear from unemployed people, what they really want — more than the unemployment check — is to be back at work. That's the focus of this hearing today.

President Kennedy said that those seeking work need our "attention." Let's see how that attention can be new, innovative, and common-sense. Let's take a focused look at how our unemployment insurance system can provide more than safety net support. And let's focus on how our unemployment system can best save jobs and create new jobs, right away.

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