

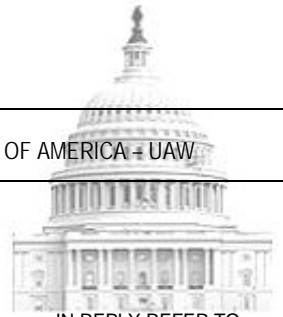


INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

RON GETTELFINGER, President

ELIZABETH BUNN, Secretary-Treasurer

VICE PRESIDENTS: GENERAL HOLIEFIELD • BOB KING • CAL RAPSON • JIMMY SETTLES • TERRY THURMAN



IN REPLY REFER TO

January 31, 2008

1757 N STREET, N.W.
WASHINGTON, D.C. 20036
TELEPHONE: (202) 828-8500
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Dear Senator:

The Senate soon is expected to vote on an economic stimulus package. The UAW strongly urges you to support the inclusion of extended unemployment insurance (UI) benefits for laid off workers, either as part of the package approved by the Finance Committee or as a separate amendment.

The UAW believes that prompt Congressional action is needed to avert serious and lasting consequences from the current economic downturn. The record is clear that extending UI benefits for the long-term unemployed not only provides much needed assistance to laid off workers, their families and their communities, but also provides very effective stimulus to the economy. This is so because the unemployed spend virtually every dollar they receive, and tend to spend on necessities provided in their local economy. Mark Zandi, a leading economist with Moody's Economy.com, showed in a recent study that the near-term economic stimulus effect of extending UI is much higher than most other alternatives: every \$1 the federal government spends on UI results in \$1.73 added to the economy. Zandi's calculation is supported by a 1999 Department of Labor study that estimated that each dollar of unemployment compensation boosts GDP by \$2.15.

The Finance Committee stimulus package includes provisions that would extend UI for workers who have exhausted their benefits before finding a new job by 13 weeks, and would provide an additional 13 weeks of benefits for workers in states with prolonged high unemployment. In our judgment, these provisions are especially important because 1.28 million workers are expected to exhaust their state jobless benefits over the next six months. Furthermore, compared to the beginning the last recession, many more unemployed workers have now been without work for longer periods of time.

For these reasons, the UAW strongly urges you to support the inclusion of extended unemployment insurance benefits in the economic stimulus package, either by approving the Finance Committee's stimulus package or through a separate amendment. Thank you for considering our views on this critical issue.

Sincerely,

A handwritten signature in black ink that reads "Alan Reuther". The signature is written in a cursive, slightly slanted style.

Alan Reuther
Legislative Director

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