

No Recovery for the Unemployed

Long-term unemployment remains especially high

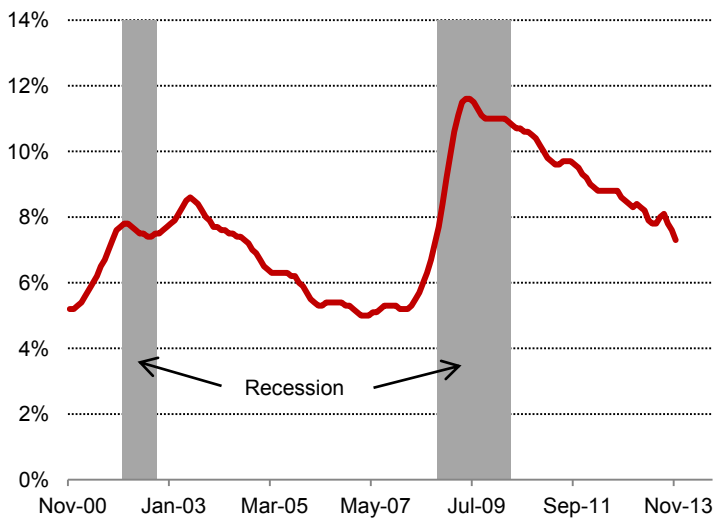
A View of the State of Working Oregon

More than four years after the end of the Great Recession, Oregon's job market has yet to fully recover. Though down from its peak in 2009, the state's November 2013 unemployment rate of 7.3 percent remains well above pre-recession levels.¹ Particularly acute is the problem of long-term unemployment, defined as being out of work for more than 26 weeks. More than a third of Oregon's unemployed workers are long-term unemployed.²

For long-term unemployed workers and their families, life could get much tougher soon. In June 2008, when the nation's unemployment rate was 5.7 percent and Oregon's was 6 percent, Congress approved Emergency Unemployment Compensation (EUC) benefits targeted to those still looking for work after 26 weeks, the duration of regular unemployment compensation. Currently, the federal EUC program offers Oregon workers up to 37 additional benefit weeks. These emergency benefits are scheduled to expire at year's end. Absent congressional action to extend the emergency payments, the long-term unemployed will lose this lifeline.

Unemployment in Oregon remains elevated

(Unemployed workers as a share of the workforce)



OCPP analysis of Oregon Employment Department and National Bureau of Economic Research data.

Oregon's unemployment rate remains elevated, despite over four years of job growth.

As Oregon's economy has added jobs since the end of the Great Recession in June 2009, the share of unemployed workers has steadily declined.

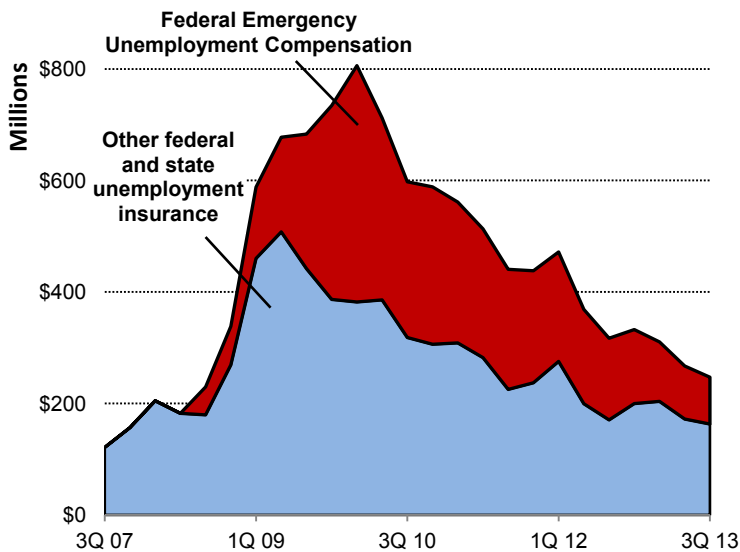
Despite this progress, Oregon's unemployment rate stood at 7.3 percent in November 2013. That is well above the 5.2 percent rate at the start of the Great Recession, in December 2007.³

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A View of the State of Working Oregon is a series of occasional OCPP fact sheets published to help explain Oregon's economy from the perspective of working families.

Jobless benefits shore up Oregon during hard times

(Value of quarterly unemployment insurance payments)



OCCPP analysis of Oregon Employment Department data.

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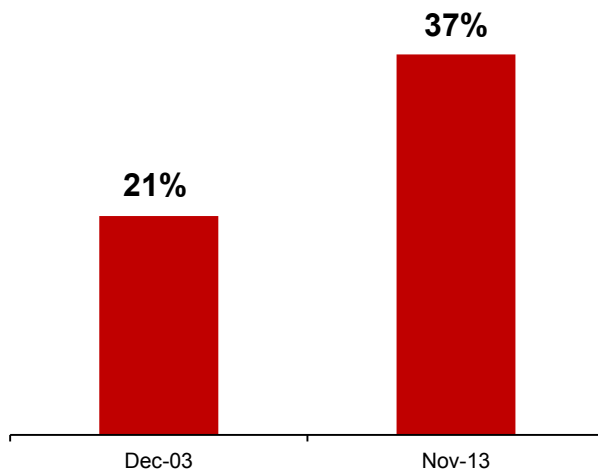
State and federal unemployment insurance payments not only provide a lifeline for families, they shore up the economy during hard times.

The total dollars pumped quarterly into Oregon's economy by state and federal jobless benefits peaked at \$806 million in the first quarter of 2010. While the total has declined since then as the unemployment rate has eased, the dollars are still significant.

Unemployment insurance benefits, including emergency benefits, continue to help shore up Oregon's economy.

Long-term unemployment much higher now than last time emergency benefits ended

(Unemployed more than 26 weeks as a share of all unemployed)



Calculations based on 12-month averages ending in December 2003 and November 2013. OCCPP analysis of Oregon Employment Department data.

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Long-term unemployment in Oregon today stands much higher than the last time emergency benefits ended.

The last time Congress ended an EUC program was in December 2003. At that time, 21 percent of unemployed Oregonians qualified as long-term unemployed, having job-hunted for longer than 26 weeks.

By contrast, in November 2013, 37 percent of unemployed Oregonians comprised the ranks of the long-term unemployed.⁴ That month, 43,106 Oregonians qualified as long-term unemployed workers, some of whom receive EUC and will suffer if the program ends.⁵

Conclusion

The Oregon job market has yet to achieve full recovery and the problem of long-term unemployment remains acute. Ending emergency unemployment compensation benefits at this time would be premature. Should Congress fail to extend emergency unemployment benefits set to expire at year's end, tens of thousands of Oregon workers and their families will lose the lifeline provided by unemployment insurance.

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Endnotes

¹ Oregon's seasonally adjusted unemployment rate was 11.6 percent in June 2009 and 7.3 percent in November 2013. Oregon Employment Department data.

² 37 percent of Oregon's unemployed workers in November 2013 had been laid off for over 26 months. Calculation based on a 12-month average ending November 2013. OCPP analysis of Oregon Employment Department data.

³ Oregon's seasonally adjusted unemployment rate was 5.2 percent in December 2007, the first month of the Great Recession. OCPP analysis of Oregon Employment Department and National Bureau of Economic Research data.

⁴ Calculation based on a 12-month average ending November 2013. OCPP analysis of Oregon Employment Department data.

⁵ The Oregon Employment Department estimates that 17,800 long-term unemployed workers will lose access to EUC benefits after December 28, 2013 and will not be eligible for other unemployment compensation programs. Oregon Employment Department, *Modeled Characteristics of Claimants Exhausting EUC Benefits at the end of 2013*, December 5, 2013.