

# CHRIS VAN HOLLEN

U.S. SENATOR



FOR MARYLAND

## Long-Term Unemployment Elimination Act

*Even before the pandemic hit, over a million Americans were looking for work for over six months and could not find a job. That number rose to over four million people in the wake of the pandemic. As we work to defeat the pandemic and the economy improves, everyone who wants to work to support themselves and their family should be able to get a job. The Long-Term Unemployment Elimination Act creates an innovative federal program to generate real job opportunities for people who have been unemployed for six months or more, getting them back on their feet and into the workforce. This is a proven approach to combat the jobs crisis, and build back better by ensuring that long-term unemployment does not continue to plague our economy in the future.*

### **The Problem: Too Many People Locked Out of the Workforce**

Since 2008, roughly 30% of all unemployed workers have been job searching for at least six months, compared to a 12.8% historical average prior to 2008. And the pandemic made a bad situation worse, with the largest ever single-month increase in long-term unemployment occurring in October 2020. This group of jobseekers cuts across all communities, ages, ethnicities, and occupations – but long-term unemployment hits Black workers especially hard. In 2020, the average duration of unemployment was 19.3 weeks for Black workers, compared to 16.5 weeks for all workers.

Prolonged joblessness can lock workers out of the labor market, as research shows that employers are less likely to hire applicants with long gaps in their work history. In addition to the millions of long-term unemployed workers, there are over 6 million Americans who want a job but are not counted as part of the workforce since they have not looked for work recently. Long-term unemployment is linked to lower wages for workers – even years after they do find a job – and it reduces the economic potential of the entire U.S. economy.

A dynamic economy should efficiently match workers with good jobs, with only brief periods of unemployment as workers search for jobs. The long-term unemployment rate should be near zero. This plan takes direct action to achieve that goal.

### **The Solution: Focused Funding to Create Jobs and Support Workers**

The Long-Term Unemployment Elimination Act recognizes the transformational power of work. It would provide targeted funding to local areas to generate work opportunities and get these Americans back into the workforce.

The legislation provides supports to help people overcome the barriers keeping them out of the workforce – such as transportation, childcare, job readiness training, substance abuse treatment, or assistance finding a permanent job – and training programs that build skills to sustain permanent employment.

- The jobs would generally last for one year. This would provide enough time to accomplish valuable work and build solid experience, and could be extended for an additional year to support apprenticeships and other on-the-job training. The jobs could be at a private business, non-profit, employment social enterprise, or government agency.
- With mandatory federal funding, the program can grow large enough to serve anyone who is long-term unemployed and wants to participate. The plan is designed to address long-term unemployment under all economic conditions — the program will automatically expand during periods of high unemployment.

The bill also provides competitive grants to local areas to support innovation and investment in areas hit hardest by high poverty and chronic joblessness, which would give additional flexibility and support in the places where it is needed most. These grants would support locally-driven development, worker-owned enterprises, and other strategies to ensure that area residents are part of the process and benefit from the results.

**Senators Chris Van Hollen, Ron Wyden, Chris Murphy, Jeff Merkley, Kirsten Gillibrand, and Richard Blumenthal are introducing this legislation in the Senate.**

**Representatives Andy Levin and Derek Kilmer is introducing this legislation in the House.**

**The national organizations supporting this legislation include: Service Employees International Union (SEIU), National Skills Coalition, Heartland Alliance, National Association of Workforce Boards, National Association of Workforce Development Professionals, United States Workforce Association, Community Advocates Public Policy Institute, Center for Employment Opportunities, REDF, Center for Law and Social Policy (CLASP), Democracy Collaborative, National Urban League, America Forward, Invest In America Action, and Midwest Urban Strategies.**