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FOR MARYLAND

Long-Term Unemployment Elimination Act

There is no question that we have made important progress in rebuilding our economy since the Great Recession of 2008. But instead of helping ‘forgotten’ men and women, President Trump and the Republican Congress have trained their sights on helping the biggest corporations and the very wealthy above all else. Senator Van Hollen believes there is a critical group being left behind: over one million Americans who are long-term unemployed. He is teaming up with Senator Wyden to introduce an innovative federal program that would 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.

The Problem: Too Many Men and Women Left Behind by the Economic Recovery

As the economy approaches full employment, one of the persistent challenges remains finding jobs for those Americans who want to work but have been unemployed for a very long time. In May 2019, 1.3 million Americans fell into this category, which means they have been unemployed for more than six months – and that does not even include all the people who had been looking for a job and then dropped out of the labor market altogether. Long-term unemployment can lock workers out of the job market, as research shows that employers are less likely to hire applicants with long gaps in their work history.

This group of jobseekers cuts across all communities, ages, ethnicities, and occupations. In 2018, for example, 56 percent of long-term unemployed workers were younger than age 45, while the remaining 44 percent were 45 and older. 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.

Because of the normal churn in the economy, there will always be some unemployment. But 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 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, a non-profit, or a 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 expand during periods of high unemployment.

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. Instead of the “work requirements” being pushed by Republicans – which strip access to health care, food, and housing without creating a single job – this project would match the people who are looking for work with a job.

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.

The Pay-For: Eliminating Tax Breaks for Shipping Jobs Overseas

The new Republican tax law creates incentives for corporations to locate production abroad and ship jobs overseas. By imposing a true minimum tax on foreign profits, we can keep jobs right here at home and fully fund this plan to tackle long-term unemployment.

Senator Van Hollen has joined with Senator Whitehouse to introduce the No Tax Breaks for Outsourcing Act, and joined with Senators Klobuchar and Duckworth to introduce the Removing Incentives for Outsourcing Act. President Obama’s minimum tax proposal is a third option, and this policy would have raised roughly \$300 billion over 10 years.