



Compare Collection Agency Price Quotes And Save!

Continue



September 3, 2009

1.3 million to lose jobless benefits by year's end

By TAMARA LUSH
Associated Press Writer

Jobless since January, Donald Money has already moved in with his elderly parents, stopped going to the movies and started using less of his prescription medication so it will last longer.

This month, something else will fall by the wayside: Money's unemployment check. The 43-year-old former printing press operator is among the more than 1.3 million Americans whose unemployment insurance benefits will run out by the end of the year, placing extra strain on an economy that is just starting to recover from the worst downturn in a generation.

These are the most unfortunate of America's 14.5 million jobless: the ones whose benefits are drying up — in some cases after a record 18 months of government support.

With savings depleted and job opportunities scarce, people are living with relatives and borrowing cash from friends. They are even skipping meals. Through it all, they are trying to stay positive through exercise and prayer.

The government said Thursday that 570,000 laid-off workers filed new claims for unemployment benefits last week, bringing the number of people receiving benefits to 6.23 million. The Labor Department is expected to report Friday that the August unemployment rate rose to 9.5 percent, up from 9.4 percent in July.

Money and others like him are scrambling to find work before the government safety net is taken away. On a recent day in Jacksonville, Money attended a church-run job fair in a half-vacant shopping mall. Most of the vendors were vocational schools trolling for students, or recruiters for the military and fast food joints.

Money, who was laid off from a printing business, said he'll do anything for a paycheck.

"I'm tired of not working," he sighed. "I just can't sit at home anymore."

People who lost white-collar jobs seem most surprised by the dire circumstances they are finding themselves in as unemployment benefits dry up. Before the recession and financial crisis, it had always been easy for them to find work.

Clifford Sheffield, 43, of Fernandina Beach, Fla., used to earn \$2,000 a week as an analyst for Merrill Lynch's Jacksonville office.

Today, lives off of a \$1,300 monthly check from the government — and is burning through his savings to keep up with rent. The unemployment benefits run out later this month.

At a recent job fair, he perused applications for Valu Pawn and Taco Bell, but did not fill them out.

"I have family I could fall back on, but it's not very appealing," Sheffield said.

"People are just barely getting by," said Sue Berkowitz, the director of the South Carolina Appleseed Legal Justice Center, an advocacy group that helps the poor with legal issues surrounding rent and mortgage contracts. "When I go down to our food bank, I see a lot of people who never, ever thought that's where they would be."

In the past year, nearly 5.5 million people exhausted their 26 weeks of standard benefits without finding work. The government says the "exhaustion rate" is the highest on records dating from 1972.

Some 3.4 million people now depend upon extended benefits approved by Congress lasting anywhere from 20 weeks to a year — the longest period of extensions ever added.

The length of these extensions vary by state, depending on the unemployment rate. More than half of all states have unemployment rates that triggered 53 weeks of extended benefits.

The government does not track how many jobless Americans have exhausted both their standard and extended benefits, but experts estimate the figure to be nearly 100,000 — and rising.

According to the National Employment Law Project, more than 402,000 Americans will exhaust their unemployment benefits by the end of September. That figure will more than triple by the end of December unless Congress — or individual states — authorizes another extension.

Legislation has been introduced to provide an additional 13 weeks of unemployment benefits in states with high jobless rates; the bill, introduced by Rep. Jim McDermott, D-Washington, has 23 co-sponsors, including two Republicans.

Unemployment benefits play an important part in stabilizing the economy because recipients tend to spend their weekly checks, rather than saving the money or paying down debt.

"It's definitely a valuable component of economic stimulus," said Alan Auerbach, a professor of economics at the University of California, Berkeley.

Rudolf Augustine, a 39-year-old former construction worker from Miami, is one of about 16,000 Floridians who have exhausted all their benefits. Out of work for the past two years, Augustine's last unemployment check came in August.

He's doing handyman-type jobs, living with his brother to save money, and had to borrow just to visit his oldest daughter in New York to see her graduate from high school.

Augustine's self-esteem is bruised from the lack of cash.

"I used to drive a Saab turbo," he said. "Now I drive a clunker a friend gave me for free."

Still, he says he has something to look forward to: a business degree, which he should receive in about a year. He spends time with his youngest child in the park for fun and occasionally visits Burger King for a treat.

Trying to maintain a good attitude is key, said Mike Allen of Riverside County, Calif., who received about 13 weeks of unemployment benefits earlier in the year. He wasn't eligible for more because he owned his own business and didn't pay enough into the state's unemployment fund to qualify him for more assistance.

Allen, who is 41, moved his wife and 15-year-old daughter into his parents' home in early August.

"They've got a small house," Allen said. "But it's a roof. We'll help out with food."

After their mortgage company refused to work with them on a loan refinancing, the family walked away from their home, which is several hundred thousand dollars underwater. Allen, formerly the owner of a trucking company, owes about \$500,000 in business loans. He's traded in his newer cars for a used Jeep that needs \$2,400 of repairs. The family sold most of their furniture.

His one bright spot: Allen has launched two employment-related Web sites in hopes of generating money through online advertising.

"We don't dwell on the past," said Allen, who added that his Christian faith is seeing them through. "We can't change it. We can only change our future."

Sheffield, the former Merrill Lynch analyst, said he has some job leads and is beginning a retraining program to become a radiographer. He's done some odd jobs around his neighborhood for cash, and has cut back on most of his expenses — even his \$25 a week comic book hobby.

"I don't drink or smoke, and I can't go to lunch or anything like I used to with my friends," said Sheffield, who runs on the beach to relieve stress. "I eat less. I've lost 20 pounds."

AP Business Writer Christopher S. Rugaber in Washington contributed to this report.



In this photo made Thursday, Aug. 13, 2009, job seekers look for opportunities at a job fair at New Birth Enterprise in Miami. Unemployment benefits are expected to run out by the end of the year for more than 1.3 million Americans unless Congress or individual states authorize another extension. (AP Photo/Lynne Sladky)



In this photo made Thursday, Aug. 13, 2009, Rudolf Augustine, 39, left, a former construction worker, talks to representatives of UPS at a job fair at New Birth Enterprise in Miami. Unemployment benefits are expected to run out by the end of the year for more than 1.3 million Americans unless Congress or individual states authorize another extension. (AP Photo/Lynne Sladky)



In this July 31, 2009 photo, a "For Sale" sign is posted at the home of Mike Allen, who is shown loading a moving truck with his family's belongings in Murrietta, Calif. (AP Photo/Francis Specker)



In this July 31, 2009 photo, Mike Allen sits in his living room with boxes of his family's belongings during a moving day at his home in Murrietta, Calif. (AP Photo/Francis Specker)



In this July 31, 2009 photo, Mike Allen stacks boxes of his family's belongings on a dolly during a moving day at his home in Murrietta, Calif. (AP Photo/Francis Specker)

 2009 Associated Press. Permission granted for up to 5 copies. All rights reserved.
You may forward this article or get additional permissions by typing http://license.icopyright.net/3.5721?icx_id=D9AG15D00 into any web browser. Press Association and Associated Press logos are registered trademarks of Press Association . The iCopyright logo is a registered trademark of iCopyright, Inc.