



**Wider Opportunities for Women**

## **Urgent Action Needed on UI, COBRA, TANF Emergency Fund and FMAP**

May 21, 2010

Dear Member of Congress:

Wider Opportunities for Women urges your support of The American Jobs, Closing Tax Loopholes and Preventing Outsourcing Act (H.R. 4213) in order to assist millions of struggling Americans during the economic recession while boosting our economy. Although in recent months have seen some signs of recovery, nearly 15.3 million Americans are still without jobs. Countless others stand to lose critical health and other services unless Congress acts before the Memorial Day recess.

Wider Opportunities for Women (WOW) works nationally and in its home community of Washington, DC to achieve economic independence and equality of opportunity for women and their families at all stages of life. For over 45 years, WOW has been a leader in the areas of nontraditional employment, job training and education, welfare to work and workforce development policy. Since 1995, WOW has been devoted to the self-sufficiency of women and their families through the national Family Economic Security (FES) Project. Building on FES, WOW has expanded to meet its intergenerational mission of economic independence for women at all stages of life with the Elder Economic Security Initiative. EESI promotes policies and programs to help seniors age in their communities with dignity while promoting their economic security.

H.R. 4213 is essential to continue the following aid to individuals and families struggling with little or no income from a job or other source:

### **Extension of Unemployment Insurance and COBRA Benefits**

This bill extends the provisions of jobless aid from the American Recovery and Reinvestment Act (ARRA) through the end of the year. The current provisions for unemployment expire June 2, 2010 and May 31, 2010 for COBRA.

Currently, there are over 6 million longer-term unemployed workers. While the unemployment rate has hovered around 10 percent, it has been much higher for certain groups, including single mothers whose families depend on their support. According to the Joint Economic Committee, the unemployment rate between 2007 and 2009 for single mothers in the labor force increased from 8.0 percent to 13.6 percent.<sup>1</sup> The rate was even

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<sup>1</sup> Joint Economic Committee, "Understanding the Economy: Working Mothers in the Great Recession," May 2010.

higher for women of color who maintain families. For single mothers with children under the age of 6, the unemployment rate was 17.5 percent in 2009. These statistics tell us that now, American families need our help.

The recession has pushed many older Americans into forced retirement long before they are eligible for Social Security and Medicare. Older workers are more likely to be among the long-term unemployed. Among those surveyed in March 2009, only 12% of workers over age 50 had found work by April 2010, compared to 21 percent of those age 30-49 and 29 percent, age 18-29.<sup>1</sup>

Extending unemployment and COBRA benefits will help the economy recover by providing Americans with badly needed assistance. As noted by numerous economists, for every dollar spent on unemployment benefits, \$1.63 is created in economic activity. For every federal dollar paid towards state Medicaid costs results in \$1.41 in economic growth. Ending this aid halts our economy even more, just when we are finally starting to see forward progress in our economy.

### **TANF Emergency Fund**

The Temporary Assistance for Needy Families (TANF) Emergency Fund provides funds to states to support a range of subsidized employment opportunities for low-income families. The 35 states taking advantage of the program plan to create 185,000 jobs by September 30, 2010, the current program deadline. These are the kinds of jobs that help assistance recipients embark on long-term employment. The passage of H.R. 4213 will save the jobs that have been created and allow more to be created in the following year. Without the passage of this critical piece of legislation, nearly all of the jobs will be lost and previously appropriated funds not yet drawn down will expire.

### **Maintaining the Federal Medicaid Assistance Percentage (FMAP) for Medicaid**

The passage of ARRA provided a temporary increase in federal matching for Medicaid to states. These funds support an increased demand for services in a time when state budgets are also hurting. Funds from ARRA are set to expire on December 31, 2010. WOW is particularly concerned about the FMAP program for Medicaid because it covers the extensive costs of long-term care services in the home and in institutions that are not covered in Medicare. If FMAP assistance is not extended, states may be forced to cut services to beneficiaries and payments to Medicaid providers.

In voting to support H.R. 4213, you support measures that work to alleviate the hardships for the most vulnerable Americans. These measures will foster future job creation and economic growth, helping our economy recover more quickly. Wider Opportunities for Women urges you to support this legislation and to choose to provide assistance to Americans who desperately need it.

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<sup>1</sup> [\*No End in Sight: The Agony of Prolonged Unemployment \(pdf\)\*](#), the John J. Heldrich Center for Workforce Development at Rutgers University, May 2010.

Sincerely,

Susan Rees  
Director of Policy  
Wider Opportunities for Women