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July 29, 2020

The Honorable Mitch McConnell
United States Senate Majority Leader
317 Russell Senate Office Building
Washington, D.C. 20510

Dear Leader McConnell,

I write today to request that the unemployment benefits authorized in the Coronavirus Aid, Relief, and Economic Security (CARES) Act be extended until the economic crisis created shutdowns improves. Many Americans would love to be working, but are still unemployed and many families are facing an income cliff if these additional benefits are not extended. In addition, inserting new proposals at the moment the last proposal expires is logistically impossible for the vast majority of States. The unemployment system in most States is already overburdened and it could take weeks for our States to create programs and update software to handle fluctuating formulaic changes in benefits. As we face resurgences of the virus around the country, it is unlikely that we will reach pre-pandemic levels of employment in the near future.

According to the Bureau of Labor Statistics, the United States unemployment rate is 7.4% higher in June 2020 (11.1%) than it was in June 2019 (3.7%).¹ This increase in unemployment has touched 49 states, highlighting that support for our workers cannot become a partisan issue. As states had to reverse their plans to reopen, in the week ending July 18, there were 1,416,000 new unemployment insurance claims, an increase of 109,000 from the previous week's level.² This increase in unemployment claims underscores the economic backslide our country is facing as the amount of confirmed cases begins to rise.

Through past recessions, UI benefits have been shown to be one of the most effective ways to stimulate the economy with approximately \$2 injected into the economy per \$1 received through these benefits.³ Furthermore, the Economic Policy Institute projects "that extending the \$600 UI benefits through the middle of 2021 would provide an average quarterly boost to gross domestic product (GDP) of 3.7% and employment of 5.1 million workers."⁴ We cannot risk losing this projected increase in GDP and related jobs this spending supports due partisan

¹ <https://www.bls.gov/news.release/pdf/laus.pdf>

² <https://oui.doleta.gov/press/2020/072320.pdf>

³ https://wdr.doleta.gov/research/FullText_Documents/ETAOP2010-10.pdf

⁴ <https://www.epi.org/blog/cutting-off-the-600-boost-to-unemployment-benefits-would-be-both-cruel-and-bad-economics-new-personal-income-data-show-just-how-steep-the-coming-fiscal-cliff-will-be/>

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differences. With a drastic reduction in UI benefits, fiscally constrained families will be unable to purchase food and rent that will support our economy.

With 30 million Americans, about 1 in 5 working adults, drawing jobless benefits, the extension of the \$600 per week unemployment benefit is critical.⁵ As we face an uncertain future, we must provide a cushion for our families and workers. As COVID-19 has reached all areas of the United States, support for Americans can no longer be a divisive issue. It is the duty of Congress to provide assistance to all of our families as the entire country is struggling in the face of a public health and economic crisis. As we enter the next phase of coronavirus relief legislation, I ask that you extend this benefit until the proposed expiration of the HEROES Act on January 31, 2021.

Sincerely,

A handwritten signature in blue ink that reads "Kirsten Gillibrand". The signature is written in a cursive, flowing style.

Kirsten Gillibrand
United States Senator

⁵ <https://www.nytimes.com/2020/07/23/business/economy/unemployment-economy-coronavirus.html>