



For Immediate Release

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ARRA Unemployment Benefits Provide Significant Boost to Iowa's Economy

DES MOINES – The federal American Recovery and Reinvestment Act (ARRA) poured millions of dollars into Iowa's unemployment system and boosted the Iowa recovery by directly infusing more than \$314 million into Iowa's economy during 2009. The benefits will continue throughout 2010 as well.

"Unemployment benefits provide a critical financial safety net to Iowans in need and the communities where they live," indicated Iowa Workforce Development Director, Elisabeth Buck. "The benefits are spent almost immediately, supporting the economy at the local grocery store, payment of utilities, etc. Iowans and their communities need to see a further deadline extension for the federal unemployment benefits."

A recent report released by the Iowa Fiscal Partnership (IFP) on the benefits of ARRA unemployment benefits funding found an economic boost of more than \$500 million and 3,727 jobs saved or created in Iowa in 2009. The analysis covers both the direct and indirect benefits of the \$314 million in benefits, along with federal money for Iowa to update its unemployment insurance system.

"Unemployment insurance is an extremely effective form of economic stimulus," said Andrew Cannon, research associate for the nonpartisan Iowa Policy Project and co-author of the IFP report.

"As Iowa's economy and workers continue to struggle to recover from the recession, the loss of these benefits to Iowans still unable to find work will be devastating to their families and the broader economy. When the unemployed have fewer dollars to spend, local business suffer, too."

As it stands, the recent analysis suggests that every \$100 million in federal dollars invested in Iowa unemployment insurance system sustains 1,001 jobs earning \$30.1 million in labor incomes for Iowa's economy. In order to continue this economic benefit for the state, it is imperative Congress act to extend the ARRA unemployment insurance benefits through 2010.

The Iowa Fiscal Partnership is an initiative of the Iowa Policy Project and the Child & Family Policy Center, two nonprofit, nonpartisan Iowa-based organizations that cooperate in analysis of tax policy and budget issues facing Iowans. Reports are available at www.iowafiscal.org.

Iowa Workforce Development contributes to the economic security of Iowa's workers, businesses and communities through a comprehensive statewide system of employment services, education and regulation of health, safety and employment goals. Iowa Workforce Development strives to lead Iowa's workforce by empowering workers and businesses to succeed in a dynamic global economy. Information on programs and services is available at www.iowaworkforce.org.

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