USA: Losing their lifeline - 7,000 a day

As the Senate debates whether to extend unemployment benefits, more than 200,000 jobless Americans are set to see their checks stop in October.

By Tami Luhby, CNNMoney.com senior writer Last Updated: October 22, 2009: 10:14 AM ET

NEW YORK (CNNMoney.com) -- Another day, another 7,000 people run out of unemployment benefits.

One month after the House passed a bill extending unemployment benefits, the issue is still being debated in the Senate.

Democratic leaders in the Senate introduced a bill two weeks ago tolengthen benefits in all states by 14 weeks. Those that live in states with unemployment greater than 8.5% would receive an additional six weeks.

Senate Republicans want to add several amendments, including one that would pay for the extra benefits with stimulus funds rather than by extending a federal unemployment tax.

While leaders in both parties are trying to negotiate a compromise, Senate Democrats Wednesday took a step to bring the bill to the floor as early as the end of next week. If it passes, the Senate legislation must then be reconciled with the House version, which extends benefits by 13 weeks in high-unemployment states.

Meanwhile, the bickering has cost people like Crystal Jordan of Dolton, III., their benefits. The single mother of three ran out in late September.

She is one of the 1.3 million people set to lose their benefits before year's end if Congress doesn't act, according to the National Employment Law Project, an advocacy group. In October alone, more than 200,000 people will fall off the rolls.

Lawmakers twice lengthened the time people can receive checks to as much as 79 weeks, depending on the state.

Jordan lost her administrative support job in the spring of 2008. She had never been unemployed before and hasn't been able to find work since, despite sending out 10 resumes a day.

Jordan is also finishing her bachelor's degree in business management. She hopes that will give her the edge she needs to find a job in 2010.

The \$1,000 check she received every two weeks allowed her to pay the rent and feed her family. Now, she doesn't know how she'll cover next month's bills.

"I am fearful we will all end up on the street because I can't find a job and have no income," Jordan said. "Everyone's household is extremely tight at the moment so I cannot lean on friends or family for any support."

More Americans than ever before are in Jordan's situation. More than one in three people who are unemployed have been out of work for at least six months, according to the law project. The unemployment rate hit a 26-year high of 9.8% in September.

"We're talking about people who've been unemployed for well over a year," said Judy Conti, federal advocacy coordinator at the law project. "If they had savings, it's gone. This is their last lifeline."

Gregg Rock, a business strategy consultant, drained his savings after joining the ranks of the unemployed in summer 2008. He was forced to move back to his mother's home in Huntington, N.Y., for the first time in more than 20 years.

With so many people looking for work, Rock feels his best chance is land a new job is through networking. But it costs him \$18 just to trek into Manhattan, not to mention \$4 for a cup of coffee at Starbucks, where he often meets people who he hopes will lead him to a job.

Rock's benefits ran out last week. Now, he says, he'll be forced to drive a cab at night or take a bartending job just to earn enough to keep job hunting.

"Unemployment is what allows you to afford to be out there networking," Rock said

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