

47,000 in New Jersey could lose unemployment benefits in December

By ERIK ORTIZ Staff Writer, 609-272-7253 | Posted: Tuesday, August 25, 2009

Without warning, Zona Johnson was downsized from her job as an administrative assistant early last year, forcing her to go on the unemployment rolls for the first time in her life, she said.

Still jobless, the 44-year-old Mays Landing woman says her COBRA health insurance plan will end next month and she will have exhausted her unemployment insurance by year's end.

"It's been very frustrating," Johnson said Tuesday. "You look over your bills, and you worry."

About 1.5 million people nationwide - and more than 47,000 New Jerseyans - could receive their last unemployment checks at the end of the year without further federal funding, according to a recent analysis by the National Employment Law Project, an advocacy group in New York.

Currently, unemployment benefits are available to qualifying workers for as many as 79 weeks - the longest period of time since the federal unemployment insurance program was established in 1935. But some lawmakers are pushing to do more, and Congress this fall may consider bills that would extend unemployment insurance another 13 weeks in states with high jobless rates.

New Jersey stands to benefit. Its unemployment rate increased to 9.3 percent in July, its highest level in 32 years.

Although there have been recent signs that the economy is turning around, employers often may wait to start hiring again. Some economists do not expect unemployment to return to healthy levels until 2013. A recent survey by the Federal Reserve Bank of Philadelphia found that only 9 percent of businesses in southern New Jersey expect to add workers in the next six months.

Johnson shared her experience navigating unemployment during a small press conference at The Richard Stockton College of New Jersey organized by state Sen. Jim Whelan, D-Atlantic.

The state senator was there to laud Gov. Jon S. Corzine, who "has provided real relief to New Jerseyans with a stimulus plan that is working to keep New Jersey working by creating jobs across the state," Whelan said.

He also criticized Chris Christie, Corzine's Republican opponent in November's gubernatorial race. Democrats have taken issue with Christie for comments he made in May, when he agreed with other state governors who said they wouldn't take the federal stimulus money.

But with New Jersey's unemployment rate edging up, Christie said last week that Corzine's policies "simply are not working."

The growing number of unemployed over the past year has eroded the state's Unemployment Trust Fund, which had already been raided by the state for about \$4.7 billion before Corzine took office in 2005.

"If the Democrats in Trenton hadn't continually diverted money from the fund since 2002, we wouldn't have the need for one-shot gimmicks like the stimulus funding," said state Assemblyman Vince Polistina, R-Atlantic. "Rather than quibbling about how to fund unemployment insurance, we should all be focused on how to create jobs so we can reduce the projected \$9 trillion federal deficit that the stimulus funding will help create."

But Carl Van Horn, director of the Heldrich Center for Workforce Development at Rutgers University, said the continued funding of unemployment benefits is needed to help those Americans struggling to find work.

Van Horn acknowledged that businesses and those working will have to contribute further to the unemployment fund, but allowing people to have the money to buy food and pay their bills now can prevent future bankruptcies and mortgage defaults.

"It's both good for the person and the economy," he added.

As for Johnson, who expects her unemployment benefits to be depleted in a few months, her one job interview fizzled and the job fairs she attended at Stockton and Atlantic Cape Community College yielded nothing.

"I'm praying," she later said. And she has a new plan: become a substitute teacher.

Business editor Kevin Post and the Associated Press contributed to this report.

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