



For Immediate Release
December 19, 2011

Contact **Brian Stephens**
512-320-0222, ext 112
stephens@cphp.org

McCown Rates *PolitiFact* PANTS ON FIRE for Unemployment Insurance Column

(AUSTIN, Texas) — Center for Public Policy Priorities Executive Director F. Scott McCown made the following comments:

“[In a post on December 15](#), and again in today’s newspaper, the *Austin American Statesman’s PolitiFact* labeled ‘Mostly False’ a point made by U.S. Congressman Lloyd Doggett that is supported by mainstream economists, the U.S. Department of Labor, and the nonpartisan Congressional Budget Office. To that we say, PANTS ON FIRE.

“[In a column on December 8](#), Congressman Doggett made the case for extending federal unemployment insurance (UI). These benefits provide Americans up to 73 weeks of additional UI, averaging about \$300 a week per person. About 2 million Americans will lose this protection in January and about 6 million over the course of the year if Congress doesn’t act.

“*PolitiFact* checked only one of Congressman Doggett’s arguments: For every dollar we spend on UI we get more back in economic activity. Congressman Doggett didn’t claim a precise number, but quoted Mark Zandi, a leading mainstream economist and former advisor to the McCain for President Campaign, who had estimated that for every \$1 we spend on unemployment insurance benefits, we get \$1.61 in economic activity back. It turns out Zandi has revised his estimate to \$1.55, which is still a lot of bang for the buck. Congressman Doggett also noted [a study commissioned by the U.S. Department of Labor during President Bush’s Administration](#) that found that for every \$1.00 spent on UI there were \$2.00 in economic activity.

PolitiFact notes that not all economists agree (citing libertarian and right-wing economist), and that the nonpartisan Congressional Budget Office gives a range for the possible economic impact. But *PolitiFact* fails to tell you that [the CBO comes down on the side of Congressman Doggett](#), concluding: “Households receiving unemployment benefits tend to spend the additional benefits quickly, *making this option both timely and cost-effective in spurring demand for goods and services, and thereby economic activity and employment.*” In fact, the CBO lists extending UI as the top policy option for growing the economy and creating jobs.

“Right now America has more workers than jobs. Unemployment Insurance—which goes only to those who lost a job through no fault of their own and who are actively looking or training for new work—is critical protection for our families and our communities. Congress should extend UI benefits for 2012. And you can rate that Really Most Sincerely True.”

— 30 —

About the Center

The Center for Public Policy Priorities is a nonpartisan, nonprofit policy institute committed to improving public policies to make a better Texas. You can learn more about the Center at www.cphp.org.

Join us across the Web

Twitter: [@CPPP_TX](https://twitter.com/CPPP_TX)
Facebook: www.facebook.com/bettertexas
YouTube: www.youtube.com/CPPPvideo

