

American Worker Mobility Act of 2014

Summary:

Long Term Unemployment

- Over 30% of the unemployed have been without a job for 27 weeks or more.
- That equates to nearly 4 million people who are chronically unemployed – that is 1 million more than the high of the previous recession
- The economy continues to improve, but more needs to be done.
- Studies have shown that people who have been unemployed longer than 27 weeks find themselves less likely to find gainful employment in the future.
- According to a report by the World Bank, “Due to the recent economic crisis, mobility rates dropped significantly,” then continued, “Lower labor mobility [in the U.S. market] may make it more difficult to lower unemployment rates, which reached 10 percent in the last quarter of 2009, levels not seen in the country since the beginning of 1980s”
- We must find solutions that help the American worker get back on his/her feet and reduce our deficit at the same time.

Relocation Subsidy

- With long term unemployment devastating our economy and workforce, the relocation subsidy will create a more fluid labor market to decrease geographical barriers to employment and economic growth.
- This subsidy will help workers pay for the up-front costs of moving to accept new employment and reduce the number of weeks and cost of long term unemployment insurance.
- This subsidy would allow workers who reside in high unemployment zones the opportunity to move to low unemployment zones – vastly increasing their likelihood of finding a job.
- The subsidy is capped at \$10,000 per individual, and should emergency unemployment benefits be extended would be structured as an advance on unemployment benefits that the worker was already scheduled to receive and thus not add to the budget.

Section by Section:

Section 1. Short Title

Section 2. Relocation Subsidies for the Long-term Unemployed

- (a) IN GENERAL- The Secretary of Labor may grant relocation subsidies to individuals who meets the following requirements
- (b) MEANING OF ELIGIBLE INDIVIDUAL- An individual is eligible if they as of the date of the application

1. Is totally unemployed and has been totally unemployed for at least 26 consecutive weeks
 2. Has exhausted all rights to regular compensation under State law
 3. Has not received a relocation subsidy under this section in the prior two years
 4. Is able, available and actively seeking work
- (c) REQUIREMENTS FOR GRANT- The Secretary of Labor may grant this subsidy if
- (1) The relocation subsidy will assist the individual in relocating over 60 miles from their residence for the purpose of attaining employment.
 - (2) The individual has applied for the subsidy not later January 1, 2019 and
 - (3) Either
 - a. The individual has obtained an offer of suitable employment affording a reasonable expectation for long term duration; or
 - b. The individual wishes to relocate to an area that has an unemployment rate that is at least 2% lower than where they currently live
- (d) AMOUNT OF SUBSIDY- The subsidy will be the lesser of o\$10,000 or
- (1) After taking out any employer contribution to moving expenses the sum of
 - a. 90% of reasonable and necessary moving expenses for the individual, their family and their household effects
 - b. A lump sum equivalent to 3 times the weekly benefit amount up to a maximum of \$1,250
- (e) REGULATIONS- Prior to granting any subsidies the Secretary of Labor shall issue regulations to protect against fraud and abuse
- (f) NO ADDITIONAL FUNDS AUTHORIZED- No additional appropriations are authorized for any fiscal year to carry out this Act.
- (g) DEFINITIONS
1. The term “regular compensation” has the meaning given in the Federal-State Extended Unemployment Compensation Act of 1970
 2. The term “suitable work” means suitable work as defined in Stat law and does not include self-employment or employment as an independent contractor
- (h) REPORTS- Not later than March 15 in both 2015 and 2017, the Secretary of Labor shall submit a report to Congress that identifies by geographical region.
1. How many used the subsidy
 2. Of those who used it how many moved for a job offer vs. moving to get it a low employment are
 3. For those of the latter how many found jobs in 1, 3 or 6 months
 4. Average cost of the subsidy
 5. Average distance traveled
 6. Amount of those that used the subsidy that filed for unemployment again over each reporting period