



Written by [Brian Koenig](#) on October 4, 2012

Nearly 2,400 Millionaires Collected Unemployment Benefits in 2009

Almost 2,400 Americans who collected unemployment benefits in 2009 resided in households with annual incomes of at least \$1 million, according to a recent report compiled by the Congressional Research Service (CRS). The [10-page report](#) was published after more than a million people exhausted their unemployment benefits during the second quarter of 2012, when well over 4.5 million people filed for jobless claims.



According to the CRS report, the Labor Department requires states to disperse unemployment payments to eligible recipients regardless of their reported income because it's a variable that does not impact the "fact or cause of unemployment." The 2,362 Americans with \$1 million-plus income represent 0.02 percent of the 11.3 million tax filers who received unemployment benefits in 2009. Meanwhile, nearly a million households earning more than \$100,000 also reported unemployment insurance income in that year.

Congress has [extended](#) unemployment benefits to a maximum of 99 weeks — over the 26 weeks offered by most states — though analysts say in practice, no state currently offers more than 79 weeks. Abolishing federal payouts of such benefits for millionaires would rescue some \$20 million in the next 10 years, CRS analysts noted in their report.

Terminating unemployment payments to high earners has become a hot topic as congressional members, led largely by Republicans, scramble to curb a mounting federal deficit slated to top \$1.1 trillion dollars this year. Sen. Tom Coburn (R-Okla.) unveiled a bill in February 2011, the Ending Unemployment Payments to Jobless Millionaires Act of 2011, to halt federally-funded unemployment payments to individuals having at least \$1 million in assets in the year previous to filing a claim. The Democrat-controlled Senate voted in support of the measure, but it was later added to another bill which has yet to pass the chamber. According to [Bloomberg](#):

Coburn found that 18 households reporting an adjusted gross income that exceeded \$10 million received an average unemployment benefit of \$12,333 in 2009. The average benefit for 74 households earning between \$5 million and \$10 million was \$18,351. The average household making \$1 million or more received \$11,113, or about 37 weeks of unemployment benefits. ...

The Internal Revenue Service reported that 2,840 millionaire households, or 0.03 percent of tax filers, received unemployment benefits in 2008. Another 816,700 beneficiaries earned between \$100,000 and \$1 million in 2008, the report said.

"It sounds scandalous when you hear that millionaires are going to collect unemployment insurance," Bill Frenzel, scholar at the Brookings Institute and former Republican congressman, [said](#) of the report. "On the other hand, millionaires get unemployed too and have made payments into the unemployment insurance." Still, Frenzel added, if these individuals earned a million dollars in income the year prior,



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“they could probably stand being barred from unemployment this year.”

While the overwhelming majority of critics oppose the idea of millionaires receiving unemployment insurance benefits, some pundits differ, arguing that these Americans deserve the benefits they are entitled to because they paid into them when they were employed. “The argument glosses over a few things ... these 2,362 Americans already paid for this insurance when they paid their taxes,” [wrote](#) Neil Shah of the *Wall Street Journal*. “They also paid taxes expecting to receive Social Security retirement benefits in the future — should they forgo those, too?”

However, Republican lawmakers, among other critics, have countered this argument, asserting that granting these “welfare” payments exemplifies reckless government spending. “Sending millionaires unemployment checks is a case study in out-of-control spending,” affirmed Coburn, echoing Frenzel’s assertion that millionaires do not need financial assistance from the government. “Providing welfare to the wealthy undermines the program for those who need it most while burdening future generations with senseless debt.”

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