



## **Federal unemployment benefits face Congressional scrutiny after states turn away funds**

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Federal supplemental unemployment payments began as a bipartisan measure to remedy the hardships of COVID-19 last year, but as businesses across the country struggle to find workers, it is turning into a political battle.

Several Senate Republicans held a news conference Thursday to call for an end to the federal unemployment payments, citing employers' difficulty finding workers. The move comes as Republican-run states around the country have announced they will no longer accept the benefits because of the need for their residents to go back to work.

"I'm here to tell you what small businesses are telling me, and I believe we're telling everyone that's here," Sen. Marco Rubio, R-Fla., said at the news conference. "That is, enhanced unemployment benefits are creating an incentive for people not to return to work until they expire. It's not because people are lazy, not accusing anyone of being lazy. It's because people are logical, because it's logic that if you're going to make close to or as much, in some cases more than what you do when you're at work, you'll go back to work when that expires."

The comments come after several Republican U.S. senators introduced the "Get Americans Back to Work Act" Tuesday to repeal the \$300 weekly payments. The bill would gradually decrease the benefits until they are fully gone, no later than June 30 of this year.

"Throughout my travels across Kansas, I hear constantly how employers are struggling to find people for open jobs because folks are staying at home due to the rich unemployment benefits and the stimulus checks that Democrats continue to enhance," said Sen. Roger Marshall, R-Kan, a co-sponsor on the bill. "While there are certainly people that needed access to increased unemployment benefits during the heart of this pandemic, we should not be in the business of creating lucrative government dependency that makes it more beneficial to stay unemployed rather than return to work."

The issue has risen to the forefront after at least a dozen states announced they would turn away the federal funds.

Georgia became the latest addition to that list. The state's Republican Gov. Brian Kemp announced Thursday that the federal \$300 payments would end by June 26 of this year.

“During truly unprecedented times, hardworking Georgians have stayed resilient and businesses of all sizes have quickly adapted to an unpredictable environment,” Kemp said. “Even in the middle of a global pandemic, job growth and economic development in Georgia remained strong – including an unemployment rate below the national average. To build on our momentum, accelerate a full economic recovery, and get more Georgians back to work in good-paying jobs, our state will end its participation in the federal COVID-19 unemployment programs, effective June 26th. As we emerge from this pandemic, Georgians deserve to get back to normal...”

Kemp's and other states' decisions came after federal economic data showed that unemployment spiked in April. The Bureau of Labor Statistics found unemployment rose to 6.1% last month, and the economy produced only 266,000 nonfarm jobs in April, far less than the 1 million jobs experts anticipated.

Analysts saw promising jobs numbers from March as a potential sign of a post-COVID economic recovery, but April's numbers stymied that optimism.

The White House has pushed back against claims the federal help is adding substantively to joblessness.

"We're going to make it clear that anyone collecting unemployment who was offered a suitable job must take the job or lose their unemployment benefits," Biden said earlier this week. "We don't see much evidence of that."

Critics, though, say there is a direct link between the benefits and rising unemployment.

“But with unvaccinated people still concerned about the virus, the benefits are a major disincentive to re-enter the jobs market,” said Ryan Bourne, economic expert at the Cato Institute. “Hours worked by employees in leisure and hospitality are at historically high levels, suggesting employers are asking returned employees to work longer hours given they can't find other workers at wages the business can afford. And hourly pay in leisure and hospitality has increased significantly too, suggesting that there is still a shortage of workers relative to demand.”

Now Republicans in the Senate are calling for an end to the benefits and for workers to start new jobs.

“At a time when our nation is on its way to reaching herd immunity and businesses are emerging from government imposed lockdowns, President Biden has delivered them a government imposed labor shortage,” Marshall said.