



## Being on dole may pay more

By Jack Markowitz Sept. 5, 2013,

The last thing we need is an “unemployment industry.”

Let the idea get around that the able-bodied can “earn” more by not working than working (a common prejudice anyway), and look out for the economy. Not to mention the national character.

Here are some flashing red lights:

- A research organization's report that “welfare” pays more than entry-level work in most states.
- The Labor Day march by restaurant workers in various cities to fatten the minimum wage to \$15 an hour. It's \$7.25; in some states, more.
- Widespread disgust that a college diploma is no ticket to a “good” job, of which the limp recovery hasn't created enough.

The Cato Institute's welfare-beats-work report is a shocker. Add the benefits available to, say, a mother of two in our 10 most generous states, and they top \$35,000 a year. So says researcher Michael Tanner at the Washington-based conservative think tank. In 38 states, he says, welfare exceeds the rewards of a starting secretary. In three states, a new computer programmer should have it so good (tax-free, too).

Result: pure paradox. Welfare doesn't mean doing nothing; it means taking the better pay without leaving home.

The study has angry critics. They say it throws benefits into the mix that may or may not be used: \$13,000 in Medicaid, for example. If working folks counted their medical insurance, they'd all “earn” more.

Still, says Tanner, you've got to add food stamps, rent subsidies and in-kind benefits to the skimpy-seeming cash, perhaps \$550 a month, that the average single mom might get under Temporary Assistance for Needy Families to make it meaningful. TANF is just one of 126 federal programs for the needy.

The multi-city marches to raise the minimum wage sent a clear signal that fast-food work, as currently compensated, sucks. But apart from the valuable training opportunities in entry-level jobs, consider the unintended consequences of a \$15 minimum wage:

Surely, fewer job opportunities for inexperienced workers. Second, higher menu prices and reduced sales at restaurants. In fact, higher prices everywhere. All employee pay tends to float upward on the minimum wage tide. Therefore, a higher-cost, less competitive U.S. economy. No help to job creation.

This, even as service occupations, as in health care, plus gas and oil production and related pipeline and transportation work, have picked up remarkably from losses in low-cost manufacturing. The retail and food service occupations so often denigrated as “dead end” are main entry ports to an ever-evolving job market.

Despite the mediocre recovery, 144.2 million Americans were working as of July. Oldsters may remember the end of World War II in 1945. Economists then questioned whether the United States ever could generate 60 million jobs.

The Bureau of Labor Statistics tracks 826 ways to earn a living in this country. Last spring it added 24 “new occupations” grown big enough to count separately. The best-paying among them: nurse anesthetist, averaging nearly \$150,000 a year. Notice all the male nurses around hospitals these days? The word does spread.

The Great American Job Machine never quits for long. The unemployment industry can't be allowed to overtake it.