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## Detroit News Finds Example of 'Workers Choosing Jobless Pay' Over Work

**Even in the state with the highest jobless rate, some landscapers turn down work to collect unemployment.**

By **Julia A. Seymour**  
 Business & Media Institute  
 5/12/2010 11:40:18 AM

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While it is often an unpopular viewpoint, many economists realize unemployment insurance can actually promote unemployment.

Business & Media Institute adviser Prof. Gary Wolfram explained this in an op-ed on March 17, 2010, as the media attacked Sen. Jim Bunning for filibustering a bill including an extension of the ability to file for federal unemployment benefits.

Wolfram wrote, "It ought to be clear that if we reduce the cost of becoming or remaining unemployed, then we will have greater unemployment. This is not rocket science by any means. Suppose that unemployment benefits were \$6,000 per week and lasted indefinitely. [Is there little doubt that most of us would choose unemployment?](#)"

Unemployment benefits are far from \$6,000 per week, yet the Detroit News found workers refusing job offers in order to stay on the dole. In its May 10 article, Detroit News reported:

"In a state with the nation's highest jobless rate, landscaping companies are finding some job applicants are rejecting work offers so they can continue collecting unemployment benefits."

The newspaper asked whether "extended unemployment benefits give the jobless an incentive to avoid work." Chris Pompeo, VP of operations for one Michigan landscape company, told the Detroit News "he has had about a dozen offers declined."

"One applicant, who had eight weeks to go until his state unemployment benefits ran out, asked for a deferred start date," the newspaper said.

It is illegal to turn down "suitable" work in order to stay on unemployment, but according to the Detroit News that is exactly what is happening in the landscaping industry in Michigan. Under current federal law (thanks to an extension) an out-of-work person can collect unemployment for up to 99 weeks.

In his op-ed Wolfram cited incentives for unemployment as part of the reason for the "jobless recovery."

Another BMI adviser, Dan Mitchell of the CATO Institute, credited the Detroit News for its "great story." He also commented that "[none of this should be surprising to people who understand that if you subsidize something, you get more of it.](#)"

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