



Become a member | Log In



Home Page for the World's Business Leaders

Free Trial Issue



U.S. EUROPE ASIA

[Home](#)
[Lists](#)
[Business](#)
[Tech](#)
[Markets](#)
[Personal Finance](#)
[Entrepreneurs](#)
[Leadership](#)
[ForbesLife](#)
[Opinions](#)
[Newsletters](#)

[Autos](#)
[Billionaires](#)
[Energy](#)
[Logistics](#)
[Media & Entertainment](#)
[Pharma & Health](#)
[SportsMoney](#)
[Wall Street](#)
[Washington](#)

# Business in The Beltway

Covering the intersection of money and politics

## Shocking News: People Are Less Likely to Work When The Government Subsidizes Jobs

May 11, 2010 - 7:55 pm

Share 20

19 retweet



Daniel J. Mitchell | [Bio](#) | [Email](#)

Dan Mitchell is a Senior Fellow at the Washington-based Cato Institute, a free-market think tank.

Kudos to the Detroit News for a [great story](#) revealing that people are refusing to accept jobs because of government unemployment benefits. None of this should be surprising to people who understand that if you subsidize something, you get more of it. Alan Reynolds has been [beating this drum](#) for quite some time, but the message doesn't seem to get through to politicians who think it is compassionate to lure workers into lives of dependency. But perhaps this excerpt from the Detroit News report will help (In a perverse way, I admire the one guy who admits that he doesn't plan to find work until the government stops sending him checks):

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. It is unclear whether this trend is affecting other seasonal industries. But the fact that some seasonal landscaping workers choose to stay home and collect a check from the state, rather than work outside for a full week and spend money for gas, taxes and other expenses, raises questions about whether extended unemployment benefits give the jobless an incentive to avoid work. ... Chris Pompeo, vice president of operations for Landscape America in Warren, said 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. ... Some job applicants are asking to be paid in cash so they can collect unemployment illegally, said Gayle Younglove, vice president at Outdoor Experts Inc. in Romulus. "Unfortunately, we feel the economy is promoting more and more people and companies to play the system and get paid or collect cash money so they don't have to pay taxes," Younglove said. ... A full-time landscaping employee would make \$225 more a week working than from an unemployment check of \$255. But after federal and state taxes are deducted, a full-time landscaper would earn \$350 a week, or \$95 more than a jobless check. ... The federal jobless benefits extension "is the most generous safety net we've ever offered nationally," said David Littmann, senior economist of the Mackinac Center for Public Policy, a free-market-oriented research group in Midland. The extra protection reduces the incentive to find work, he said. It's impossible to know exactly how many workers are illegally declining employment, but 15 percent of Michigan's economy is underground, where people trade services, barter or exchange cash without reporting it to the government, Littmann said. One former landscaper, who has been on unemployment for a year, said he will search for work when the benefits expire, but he estimates he earns about \$50 to \$60 less a week than he would if he were working. "It's crazy," he said. "They keep doing all of these extensions."

Tags: [Big Government](#), [Incentives](#), [Joblessness](#), [Unemployment](#)

[Email](#) [Twitter](#) [Facebook](#) [Digg](#) [Buzz](#)

[More](#)

« [Previous post](#)

[Administration Switches Tracks To Aid Unions](#)

Watch List EDIT

CLICK HERE TO Add Stocks

International Indexes

Advertisement

Recommended Stories

America's Top Selling Cars

Forbes Attache You Navigate. We Notice.

Recommended content based on your interests.

CLICK HERE TO Personalize Forbes.com

The Greenest Gasoline?



Login

Login required, click here to begin

Share

This Page

Empty text input area for comments

Follow

Cancel

Post

Echo 4 Items

Admin



htdrifter

Correction:

People are less likely to work when the government allows their jobs to be off-shored.

Yesterday, 23:10:18 – Flag – Reply



Guest

Dan Mitchell is a Senior Fellow at the Washington-based Cato Institute, a free-market think tank.

Yesterday, 21:39:16 – Flag – Reply



leslie

and evidently has never been unemployed.

Yesterday, 22:24:02 – Flag – Reply



leslie

Are you kidding me?? As a formal journalist in order to gain credibility you name your sources....Yeah there are some people that take advantage of the benefits but for the most part people need this safety net.

Yesterday, 21:21:03 – Flag – Reply

Echo 18 Items



Agung Herutomo

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness

Today, 00:54:47 – Flag

via Twitter



Kate Fulcot

Shocking News: People Are Less Likely to Work When The Government ...: Kudos to the Detroit News for a great story...

Today, 00:17:25 – Flag

via Twitter



Jo Pastner

Shocking News: People Are Less Likely to Work When The Government ...: Kudos to the Detroit News for a great story...

Today, 00:17:27 – Flag

via Twitter



Destiny

Shocking News: People Are Less Likely to Work When The Government ...: Kudos to the Detroit News for a great story...

Today, 06:03:59 – Flag

via Twitter



Ryan 2.0's blogroll

ILFlow: Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness: Kudos to t...

Yesterday, 22:36:59 – Flag

via Twitter



Matthew Lloyd

Shocking News: People Are Less Likely to Work When The Government ...

Yesterday, 21:10:59 – Flag

via Twitter



K Knight

Shocking News: People Are Less Likely to Work When The Government ...: In a state with the nation's highest jobs...

Yesterday, 21:10:58 – Flag

via Twitter



Chris Reed

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness « Forbes...

Yesterday, 21:03:45 – Flag

via Twitter



markinsiderblog

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness

Yesterday, 20:40:14 – Flag

via Twitter



Wayne Hanks

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness

Yesterday, 21:29:56 – Flag

via Twitter



**Marketingman**

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness  
Yesterday, 21:59:41 – Flag

via Twitter



**wayne Hanks**

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness  
Today, 08:58:07 – Flag

via Twitter



**markinsiderblog**

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness  
Today, 10:18:58 – Flag

via Twitter



**Wayne Hanks**

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness  
Today, 12:51:01 – Flag

via Twitter



**AI Poe**

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness: Kudos to the Detroit New...  
Yesterday, 20:11:35 – Flag

via Twitter



**Alex Port**

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness: Kudos to the Detroit New...  
Yesterday, 20:11:35 – Flag

via Twitter



**Complete News**

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness: Kudos to the Detroit New...  
Yesterday, 20:11:41 – Flag

via Twitter



**HSC**

Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness #HSC  
Yesterday, 20:11:30 – Flag

via Twitter



### Search This Blog

### Follow This Blog



### More Posts

- [Shocking News: People Are Less Likely to Work When The Government Subsidizes Joblessness](#)
- [Administration Switches Tracks To Aid Unions](#)
- [The Manufactured Myth of Manufacturing Decline](#)
- [The Right Capital Gains Tax Rate Is Zero](#)
- [White House Correspondents Dinner: Photos](#)
- [Arizona And Immigration: The Dog That Didn't Bark](#)
- [PG&E's Lobbying Splurge](#)
- [Employers Should Be Safe At Work, Too](#)
- [America's Real Trade War Isn't With China](#)
- [U.S. Losing Out As Congress Dallies On FTAs](#)

### More coverage

- [Tyson Beckford: Beyond Modeling](#)
- [Kagan Is A Wild Card For Business](#)
- [Goldman Sachs CEO vs. Shareholders](#)
- [More Jobs Available](#)

- [The Next Targets](#)

## Categories

- [Barack Obama](#) (166)
- [Bill Clinton](#) (5)
- [Blue Dogs](#) (1)
- [Brian Wingfield](#) (1)
- [byline=Brian Wingfield](#) (28)
- [Cabinet](#) (4)
- [Campaign Finance](#) (5)
- [Congress](#) (15)
- [Credit Crisis](#) (25)
- [Current Affairs](#) (32)
- [Debates](#) (104)
- [Defense](#) (4)
- [Democratic Party](#) (9)
- [Democratic Primary](#) (73)
- [DNC Convention](#) (26)
- [economy](#) (31)
- [Education](#) (1)
- [Electoral College](#) (9)
- [Energy](#) (7)
- [Farm policy](#) (1)
- [FCC](#) (1)
- [Federal Reserve](#) (11)
- [G-20](#) (19)
- [George W. Bush](#) (2)
- [Haiti](#) (1)
- [health care](#) (5)
- [Hillary Clinton](#) (81)
- [Inauguration](#) (16)
- [John McCain](#) (71)
- [lobbying](#) (1)
- [Mike Huckabee](#) (6)
- [NYSE:GD](#) (1)
- [Obama Administration](#) (16)
- [Polls](#) (48)
- [Ralph Nader](#) (2)
- [Republican primary](#) (11)
- [RNC Convention](#) (20)
- [Ron Paul](#) (4)
- [Sarah Palin](#) (6)
- [State Politics](#) (2)
- [Supreme Court](#) (3)
- [Taxes](#) (17)
- [Technology](#) (3)
- [Ted Stevens](#) (1)
- [trade](#) (6)
- [Uncategorized](#) (150)

[SITMAP](#) [HELP](#) [CONTACT US](#) [INVESTMENT NEWSLETTERS](#) [FORBES CONFERENCES](#) [FORBES MAGAZINES](#)

[Ad Information](#) [Self-Serve Advertising](#) [Forbes.com Mobile](#) [RSS](#)  [Reprints/Permissions](#)  
[Subscriber Services](#) [Privacy Statement](#) [Terms, Conditions and Notices](#)  
 2010 Forbes.com LLC™ All Rights Reserved

Dow Jones industrial average, Nasdaq composite and S&P 500 indexes are real time and are powered by Xignite. All other indexes and commodities are delayed at least 15 minutes. All pricing is automatically refreshed every five seconds for the first two minutes the page is open, refreshed every 10 seconds for the third minute the page is open, and refreshed every 15 seconds thereafter.

