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# D.C. Council members propose 'partial unemployment' program

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December 4, 2009

District businesses eyeing an alternative to layoffs might be allowed instead to slash the hours of their employees, who could then recover the lost wages through unemployment benefits, D.C. Council members have proposed.

The voluntary partial unemployment program was suggested by council members Muriel Bowser and Marion Barry, and initially backed by at least five of their colleagues. Rather than laying off one person to save 40 hours' worth of salary and benefits, Bowser said, a business could choose to reduce four employees' hours by 10, and those 10 hours could be recovered with unemployment insurance.

The process, often called "work sharing," is in place in 17 states. And Congress is considering a two-year, \$600 million plan to install partial unemployment on a national scale.

With work sharing, Bowser said Tuesday, employers avoid layoffs, low morale and lost skill sets, while the government continues to collect income taxes and employees are protected from lost wages, lost benefits and the stigma of unemployment.

"There are strong public policy rationales to promote this type of program," Bowser said.

But work sharing has its detractors. James Sherk, Bradley fellow in labor policy with the Heritage Foundation, said the policy simply didn't work to reduce unemployment, to establish a hospitable environment for entrepreneurs or to create new jobs -- what the economy needs most.

"The goal is to reduce unemployment, but you end up reducing the amount of work that gets done in the economy," Sherk said. "There's some humanitarian arguments to be made, but it doesn't reduce the unemployment rate."

## D.C.'s October unemployment figures

- » Unemployment rate: 11.9 percent
- » D.C. labor force: 329,900
- » Comparison to Oct. 2008: 17,000 fewer residents employed and 13,600 more residents unemployed

Daniel Mitchell, senior fellow at the Cato Institute, said the program was a "defensive approach to minimize bad things happening, when the focus should be 'How do we make good things happen?' "

The District's unemployment rate hit a record 11.9 percent in October.

"Jobs and saving jobs should be the top priority," said Barry, who chairs the work force development committee. "This is a great step forward to helping the working-class people of this city."

Janene Jackson, senior vice president for government relations at the D.C. Chamber of Commerce, said the Bowser bill was "right on the money," as long as it remained voluntary and benefits were only extended to District residents.

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