

James Comer: Unemployment Bonus Keeps Workers on the Sidelines

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When Congress increased unemployment benefits at the height of the Covid-19 pandemic, it was an emergency step to shore up the finances of people whose income had evaporated overnight. Record job loss demanded action to replace wages workers lost through no fault of their own. But now unintended consequences of supplemental unemployment payments are stifling economic recovery.

Soon after supplemental unemployment insurance payments took effect in the spring, I began to hear from business owners in my home state of Kentucky that these payments were having negative effects. The extra \$600 a week included in the Cares Act boosted wages higher than they were before the virus, meaning people were earning more on unemployment than they used to at work.

The data bear this out. Researchers at the University of Chicago's Becker Friedman Institute for Research in Economics [found](#) that 68% of eligible people would receive benefits exceeding their lost earnings. One in five would receive more than double his prior wages.

Employers in Kentucky are finding it difficult to persuade employees to return to work, as nearly 40% of the state's labor force has filed for unemployment benefits—the highest share in the nation. Kentucky's pace of reopening has been well behind neighbors such as Tennessee and Indiana. Democratic Gov. Andy Beshear's delayed, incremental reopening is crippling the recovery, bankrupting the Unemployment Insurance Trust Fund and making Kentucky's businesses less competitive.

It is clear that a system of excessive unemployment benefits has run its course. More than 60 of my colleagues in Congress plan to join me in sending a letter to House and Senate leadership to express our concerns and demand that these payments expire July 31, as the Cares Act intended.

Despite the data and reports from businesses, Speaker Nancy Pelosi forced a measure through the House to extend the \$600-a-week federal subsidy through January 2021. It defies logic to extend disincentives to work when businesses are beginning to reopen.

Given the express desire of Majority Whip James Clyburn to use the Covid-19 crisis to “restructure things to fit our vision,” as he put it to Democratic colleagues in March, efforts to spend the nation into oblivion and discourage Americans from working aren't surprising. But they are fundamentally opposed to the American spirit of the dignity of work.

One must wonder if Democratic leaders even want to see businesses reopen and America's economy return to full force. Slow reopenings and efforts to extend jobless aid suggest an interest in stalling a recovery so that voters head to the polls in November with high unemployment—and vote for Democrats.

America's economy was roaring before Covid-19. Cases are now declining, testing capability is improving, and states are reopening. America has an opportunity to return to the historic prosperity it was experiencing before this crisis. But to get back on the right track, we cannot extend the \$600-a-week incentive not to return to work.

Mr. Comer, a Republican, represents Kentucky's First Congressional District.