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POLITICS

Will Heartless Republicans Screw Themselves By Screwing the Jobless?

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Douglas Graham via Getty Images

In 1934, when President Franklin Roosevelt first proposed the idea of unemployment insurance during the Depression, business lobby groups and their allies in the media and politics created an echo chamber to justify their opposition to this idea to cushion widespread hardship and help jumpstart the economy.

James L. Donnelly of the Illinois Manufacturers Association testified before Congress that unemployment insurance "would undermine the fabric of our economic and social life by destroying initiative, discouraging thrift, and stifling individual responsibility." Unemployment insurance "places a premium on indolence," warned George C. Lucas of the Publishers Association, quoted in the *Washington Post*. An editorial in the *Los Angeles Times* warned that unemployment insurance would tempt Americans "to join the slacker and chiseler class." John Gall, representing the National Association of Manufacturers, warned that it would "kill off that spirit of individualism."

Yesterday (Saturday), 1.3 million jobless Americans lost their unemployment benefits because Republicans in Congress refused to pay for extending them beyond 26 weeks. By mid-2014, another 1.9 million long-term unemployed workers and their families will exhaust their jobless benefits, bringing the number of jobless workers without benefits to 4.2 million.

But if you think Republicans have a hard time sleeping because of the suffering they've caused, think again. To justify their callousness, they simply recycle the same arguments that their right-wing counterparts used eight decades ago.

"If you extend it beyond [26 weeks], you do a disservice to these workers," Senator Rand Paul (R-Kentucky) recently told Fox News. "When you allow people to be on unemployment insurance for 99 weeks, you're causing them to become part of this perpetual unemployed group in our economy."

During a hearing on unemployment insurance earlier this year, Rep. Jim Jordan, an Ohio Republican and chair of the House Subcommittee on Economic Growth, Job Creation and Regulatory Affairs, said: "If that's not a disincentive to work, I don't know what is."

(Three years ago, when Congress was also locked in a battle over unemployment benefits, Martin Regalia, chief economist for the U.S. Chamber of Commerce, the powerful business lobby group, echoed similar views: "Paying people to stay out of work may be the wrong move.")

These statements reflect an odious blame-the-victim ideology. Last year Rep. Paul Ryan, the Wisconsin Republican who was Mitt Romney's VP running mate and now chairs the House Budget Committee, warned that jobless insurance and other safety net programs are a "hammock that lulls able-bodied people to lives of dependency and complacency, that drains them of their will and their incentive to make the most of their lives."

These views -- which are shared by many other Republicans in Congress, have no relationship to reality, as the *New York Times* explained in a Sunday editorial:

Republicans see themselves as practicing tough love, jolting dependents into finding jobs. That also is not how it works. Long-term unemployment is high because there are not enough jobs, not because millions of Americans have suddenly lost their work ethic. At last count, there were still nearly three unemployed people for every job opening; in a healthy economy, the ratio is about one to one. At last count, the average spell of unemployment was 37.2 weeks, nearly 20 weeks longer than the

prerecession level.

Before the winter break, a handful of House Republicans (including Representatives Joe Heck of Nevada and Chris Gibson of New York) joined House Democrats to try to get the extension of jobless benefits into the budget, but Speaker John Boehner and the GOP leadership thwarted their efforts.

The same Republicans who slashed jobless benefits also recently cut food stamps, taking food out of the mouths of children, causing incredible and unnecessary suffering. This was not only callous and mean-spirited, it may also turn out to be politically stupid, since a significant majority of Americans (including Republican voters) support extending unemployment assistance.

Most Americans understand that unemployment insurance doesn't make people lazy or dampen their desire to find work. It simply helps them pay the rent and put food on the table. A report by the Joint Economic Committee of Congress reviewed decades of economic studies to see if unemployment insurance benefits inhibited unemployed workers from vigorously looking for or accepting a new job. "Those fears," the report concluded, "are unfounded." A different study by the San Francisco Federal Reserve came to the same conclusion.

The unemployment insurance program is a partnership between Washington and the states. During periods of high unemployment, Congress typically extends benefits beyond 26 weeks. During the peak of the recent recession, the program offered up to 99 weeks of coverage, but it has since been scaled down. Until this week, 49 states and the District of Columbia offer up to 14 weeks, with 36 states offering up to 28 weeks, 27 states providing up to 37 weeks, and only two states offering the current maximum of 47 weeks, according to a report by the National Employment Law Project. All those extensions expired Saturday. Now all states dropped it to 26 weeks or fewer, which is why 1.3 million Americans lost their unemployment benefits.

North Carolina is the harshest and stingiest state. Last February, North Carolina's Republican Gov. Pat McCrory signed a law opting out of the federal emergency unemployment insurance program. On July 1, the state sharply reduced benefits and left many jobless workers with no benefits at all. Since then, unemployment in North Carolina has fallen faster than nationally -- from 9.4 percent in February to 7.4 in November. This may appear to confirm the Republicans' belief that "tough love" will push the jobless to get off their lazy asses and find a job. But, in fact, it demonstrates just the opposite. The state's falling unemployment rate is due to the large number of people who've given up looking for work and dropped out of the labor force entirely, and are thus no longer "officially" counted as unemployed.

The harsh truth is that families can barely survive on jobless benefits, which are far below the poverty level. These benefits average only \$269 per week. This is less than half the income families need to cover the most basic necessities, according to a report by the National Employment Law Project, using data from the the Bureau of Labor Statistics' Consumer Expenditure Survey. It isn't even enough to cover the typical monthly rent. The average weekly benefit in Mississippi is \$194, which works out to less than \$5 an hour for a 40-hour work week. So even a low-paying job is better than trying to scrape by on unemployment insurance. As a result, unemployed workers receiving insurance keep looking for work.

The obvious problem, as the *Times* pointed out, is that there's no work to be found. Roughly 10.9 million Americans are now out of work. More than one-third of them (4.1 million) have been jobless for six months or more. Because of Congress' failure to extend benefits, only one-quarter (26 percent) of unemployment workers will be receiving jobless aid next month. This the lowest share since the U.S. Department of Labor started recording this data in 1950. "The rise in ... long-term unemployment [has been] far worse than at any other time in the postwar period," concluded an Urban Institute study this year.

Rand Paul, Jim Jordan, Paul Ryan, and their GOP colleagues don't have to be bleeding heart liberals to support extending unemployment benefits. If compassion won't do the trick, you'd think they might be persuaded by the cold logic of economics. It is a tried-and-true way to improve the economy. Unemployment insurance puts money in people's pockets. Because they are barely hanging on, they spend it all -- on food, rent and other necessities -- so it increases consumer demand, which in return leads to more private sector jobs. Economists call this the "multiplier effect."

Congress' failure to reauthorize jobless benefits will result in the loss of around 240,000 jobs. Estimates from the Congressional Budget Office and JP Morgan indicate that without an extension of these unemployment insurance benefits, the nation's Gross Domestic Product will be .2 to .4 percentage points lower.

On Friday morning, President Obama called Senators Jack Reed (D-R.I.) and Dean Heller (R-Nevada) to offer his support for their plan to extend emergency unemployment benefits for three months. Senate Majority Leader Harry Reid has promised that his first order of business when Congress returns from the holidays will be to reauthorize federal jobless aid.

Perhaps the Republicans think that their "tough love" toward the jobless will help them keep their jobs in next November's elections. But the problem is so widespread, and impacts so many people across the economic and educational spectrum -- for example, 28.6 percent of the long-term unemployed attended college and another 17.2 percent hold a college degree -- that Republican strategists may be miscalculating.

A clear majority of Americans disagree with the GOP's callousness. They support maintaining federal jobless aid for the long-term unemployed, according to poll by Hart Research Associates released on Thursday by the National Employment Law Project:

- "Only one-third of voters believe Congress should allow federal jobless aid to end this week."
- "By a strong 21-point margin, voters say Congress should act to maintain (55%) rather than cut off (34%) these benefits."
- "There is also more intensity of feeling on the side favoring an extension. More than twice as many voters strongly favor maintaining benefits (43%) as strongly feel benefits should end (21%)."

- "Voters reject the claim that unemployed workers are not trying to find work. Just 33% of voters agree that most of those receiving jobless aid 'are not trying to find a job, and prefer to collect benefits without working.' Instead, 57% say that the unemployed "would rather work, but cannot find a job in today's economy."
- "A member of Congress who opposes federal jobless aid faces an 18-point net loss of support from voters. Just 21% say that this position makes them more likely to vote for a member of Congress, while 39% are less likely to support the member's re-election (35% say it will not affect their vote)."

Many Republicans in the House and Senate who face re-election challenges next year come from states and districts with high unemployment rates and where cuts in jobless benefits hurt families and the local economy. During the recent budget debate, Senate Minority Leader Mitch McConnell, a Kentucky Republican who faces a tough re-election fight next year, didn't even bother to explain where he stood on extending unemployment benefits. At least 18,000 Kentuckians who just lost their unemployment benefits would like to know.

A survey, by Public Policy Polling, looked at four "swing" Congressional districts now held by Republicans -- Representatives Gary Miller of California, Mike Coffman of Colorado, Dan Benishek of Michigan, and Rodney Davis of Illinois. The poll discovered that large bipartisan majorities supported extending jobless benefits in every district. Even in House Speaker John Boehner's home district in Ohio (which is not considered a "swing" district), 63 percent of voters -- including a majority of Republicans (52 percent) -- want unemployment benefits extended.

The Republicans' heartlessness toward the jobless could cause a "serious backlash" in next November's elections, according to the *Washington Post*.

The campaign to hold the Republicans accountable for their heartlessness has already begun. Last week, Americans United for Change ran an advertisement on cable television stations reminding voters of the Republicans' callousness. It says:

"You know who had a Merry Christmas? The richest 1 percent, that's who. Republicans in Congress made sure of that, protecting billions in taxpayer giveaways. For those facing tough times? Republicans stripped 1.3 million Americans of jobless benefits -- folks who want to work, but cannot find a job -- kicking them to the curb during Christmas."

Well over half of Americans either collect unemployment insurance during some part of their working lives or are married to someone who does. As a result, almost every American knows at least one person who is now or has been out of work. They understand that being laid off can happen to hard-working people through no fault of their own. So it is unlikely that many independent voters will support Republicans in the fall because they stood firm against extending a lifeline to America's jobless.

Most Americans have more compassion, and more common sense, than the Republicans Scrooges in Congress.

Peter Dreier teaches Politics and chairs the Urban & Environmental Policy Department at Occidental College. His most recent book is *The 100 Greatest Americans of the 20th Century: A Social Justice Hall of Fame* (Nation Books).

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